



THE INDEPENDENT

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TUESDAY 18 JUNE 1996

WEATHER Warm with sunny spells in the south, cooler in the north 48p (IR 45p)

Major reviews future of talks Peace still has a chance, says Adams

DAVID MCKITTRICK
JAMES CUSICK
and COLIN BROWN

Sinn Féin president Gerry Adams yesterday said that he was "shocked and saddened" by the Manchester bomb but insisted that his party remained committed to the peace process which, he claimed, could yet be rebuilt.

Mr Adams, whose importance and influence is being reassessed by the governments in London and Dublin, insisted Sinn Féin was not responsible for the bomb and was determined to pursue ultimate peace.

Seeking to keep the door to the peace talks ajar, he argued "it is sheer folly to return to the old agenda of excluding Sinn Féin and seeking to isolate republicans".

His comments came as police hunting the bombers tried to trace a taxi driver who delivered cash to pay for the van which carried the massive bomb into Manchester city centre. They are also viewing tapes from over 40 closed circuit television sources in and around the city centre to see if the bomber has been caught on video.

With the entire Northern Ireland and Anglo-Irish agenda altered by the bombing, public debate centred yesterday on the issue of whether Sinn Féin could now be allowed into talks, and on the question of whether the idea of a peace process including republicans should be dropped.

Last night John Major and John Bruton, the Irish Prime

Minister, discussed joint action to try to keep the peace talks alive, and agreed the two governments should keep up a united front against the IRA.

Northern Ireland ministers ordered the Royal Ulster Constabulary to enforce the provisions of anti-terrorist legislation which could enable the security forces to detain suspects for up to seven days without charge.

"We are not going to bring in internment. But we are going to do everything within the law. There is going to be a crack-down," said one senior ministerial source.

In Dublin, ministers meet today to appraise their approach of wooing republicans in the light of the bombing. A Cabinet meeting will receive a comprehensive security briefing before assessing whether all hope of a resumed IRA ceasefire has evaporated.

Mr Adams comments came just before an ominous statement from the Ulster Freedom Fighters, a name used by the paramilitary Ulster Defence Association, saying they believed the IRA was planning an imminent resumption of violence in Northern Ireland.

The UFF said it had alerted its personnel to be prepared for all eventualities. On a calmer note, however, the statement went on to say that the UFF remained committed to the peace process and called on the IRA to reinstate its ceasefire.

In a reaction to this, Ulster Unionist leader David Trimble said he too believed the IRA was planning a resumption of

violence in Northern Ireland, but appealed to loyalists not to become involved. "The IRA are trying to give themselves a spurious excuse by provoking loyalists into action. I hope loyalists will not fall into that trap."

Another warning came from Gary McMichael, leader of the Ulster Democratic Party, which is closely aligned with the UDA. "I think it would be wrong of me to be anything but honest - we are at a critical point in the peace process. We must use all power and responsibility and all influence that we have to try to ensure that there is not a degeneration into full scale conflict," he said.

British ministers are pressing the White House to take tougher action against Sinn Féin and make clear that Mr Adams will not be granted a visa to visit the US until the ceasefire is restored. "Clinton's people could do more than just saying they will look at it if Adams applies. They could go much further and send the right signals to the IRA," said a ministerial source.

In a message to the people of Manchester yesterday, Mr Major said: "The terrorists must see that their guns and their bombs will not deflect a democratic society from the determined pursuit of a lasting peace in Northern Ireland."

Michael Howard, the Home Secretary, last night described the bomb attack as "a despicable act". He said no effort would be spared by police to catch those responsible.

Hunt for bomber, page 2



Fire and ice: Mount Ruapehu sends smoke and hot ash billowing 10km into the atmosphere

Photograph: AFP

Ruapehu lets off steam - 8 miles high

Wellington (Agencies) — Molten rocks, glowing ash and flames visible from 100 miles away blasted from New Zealand's snowcapped Mount Ruapehu yesterday.

The mountain came violently to life just after dawn when a large cloud of steam burst from its crater, followed by an explosion of gas and debris.

The plume of steam and ash shot eight miles above the crater, blotting out the sun and dumping tons of ash over nearby towns and farms.

By 10pm, there was by a spectacular display of colour and explosions against the night sky.

The top of the mountain was glowing with huge bursts of pink, red and yellow light. Molten rocks were thrown from the sides of the mountain. Dennis Vater, a resident of Okahune, a town 20 miles south-west of the mountain, told Radio New Zealand: "Bursts of lightning came from within the crater."

But scientists were relatively sanguine about the eruption. They upgraded the alert-status of the volcano to level three, meaning that there was a "significant local eruption in progress". The highest alert is level five.

Officials warned residents in farms and towns surrounding the mountain to remain indoors.

"Don't breathe in the ash. If you're going outside, use a mask and there's no need to panic," said Taupo District Council's spokesman, Allan Johnston.

Airlines suspended flights to and from the popular North Island tourist resort of Rotorua, where the touring Scottish rugby union side called off a practice session because ash was irritating the players' eyes.

Final path cleared for divorce reform

PATRICIA WYNN DAVIES
Legal Affairs Editor

The most controversial piece of social legislation for a quarter of a century was heading for the statute book last night after a series of government concessions on the Bill to introduce no-fault divorce.

As MPs took part in a series of final votes on the beleaguered Family Law Bill's Commons Report Stage and Third Reading, Labour's business managers claimed victory after the Government gave way on a key Labour demand to allow wives to get a share of their husbands' pensions on divorce, and the party declared that it would support the troubled measure as a result.

The Bill will not only allow divorces to be granted for the first time without proof of fault or separation, but also specifically seeks to buttress the institution of marriage, encourage couples to attempt reconciliation and - where divorce is inevitable - use mediation, instead of lawyers and

courts, to resolve grievances over children and finances.

Once the Bill comes into force, probably in two years' time and possibly under a Labour government, there will be an end to the "quickie" divorce for adultery or unreasonable behaviour, meaning a longer wait for divorce for

about three-quarters of all couples.

The novel emphasis on marriage as well as divorce and a longer cooling-off period of 18 months rather than 12 in many cases - inserted with numerous other amendments during the stormiest of parliamentary passages - has made the Bill more

a conservative attempt at social engineering rather than the liberal measure it was once portrayed as being.

The deal agreed with Labour will mean that the Lord Chancellor will be given the power to bring in regulations on pension splitting - although the Government

insisted yesterday that the change would still require separate legislation.

But the agreement was enough to allow both sides to claim victory while prompting Labour to call off the lingering threat to scupper the Bill.

Other key concessions that were made to Labour include

a strengthening of protection against domestic violence and a new power to allow separate representation of children in some cases.

MPs were expected to pass an amendment to ensure that the three-month "reconciliation" period introduced during the Committee Stage will be included within the maximum 18-month period of "reflection and consideration".

The architect of the reforms, the Lord Chancellor, Lord Mackay, has faced an uphill struggle to get the measure through and no piece of legislation has so divided and confused both social liberals and conservatives.

Labour's legal affairs spokesman, Paul Boateng, described it as a "dog's breakfast" after it emerged from its Commons Committee Stage. But it was Labour's own high absenteeism rate that allowed an original 12-month cooling-off period to be enlarged to 18 months - a move a number of Labour MPs were later to regret.

Conservative or liberal, confusion among the commentators

We cannot be sure how well the proposals before Parliament will work in practice, but I and my fellow bishops believe that many positive things would be lost if the Bill were to fail. The Archbishop of Canterbury, Dr George Carey.

It is an empirical certainty that if we legislate again, there will be another surge in the number of divorces. That will be compounded by the introduction of true no-fault divorce on demand. John Patten MP. The idea that marriage breakdown is good for children because it brings conflict to an end

is demonstrably false. I don't believe that all marriages must endure whatever the circumstances. I am merely alarmed that people have become far too casual about relationships, that commitment has been redefined as a transitory arrangement which can be ended for adult convenience. Melanie Phillips, 'Observer' columnist.

The structure of the family, as seen by politicians peeping through the lace curtains, doesn't matter much. What matters is the quality of consistent love, care attention and

security the children grow up with. Now you may say that it is more likely that a child will receive love and security from a stable family, with its two natural parents. But what can anyone do to force people to stay married? Polly Toynbee, 'Independent' columnist.

This Bill does more to undermine the institution of marriage than any single piece of legislation for three decades. William Oddie, theologian.

If enacted, the Bill will certainly be neither easy nor cheap to im-

plement properly. But it does offer the attractive prospect that it could overcome the even greater deficiencies of the present system. Cardinal Basil Hume, Archbishop of Westminster and leader of Britain's Roman Catholics.

Our land is littered with the human misery and social debris from broken homes...and this is the moment the members of the most unpopular government in modern history chose to bring in their bill to make divorce even easier. What has possessed them? 'Daily Mail' editorial.

QUICKLY

Sex crimes reform

Convicted child sex offenders could be jailed for applying for jobs - including posts such as scoutmasters and foster parents - that involve access to young people, under proposals published yesterday. Page 4

Out in the cold

News of a medicine which prevents most colds has been given a suitably welcome from one of the main financiers of the research. Page 3



Disney reels back on family fare

TIM CORNWELL
Los Angeles

Young Americans - that maddening band of consumers whose tastes dominate all our lives - are so turned off by cosy Disney films that the corporation has decided to halve its annual film production.

Instead, Disney will channel all its energy into the kind of high-budget blockbusters that would leave Bambi bleating far behind.

Joe Roth, Disney's chairman, indicated that the company will shed formulaic and often unprofitable family fare for "event" films that carry big-

ger stars and touch on more adult themes.

Even its own stock-in-trade are up for re-invention: a 101 Dalmatians remake scheduled for release this autumn will feature Glenn Close as Cruella de Ville (she, of course, is best remembered for boiling pet rabbits, rather than cuddling them).

Disney's hand appears to have been forced by Hollywood's love affair with "event" films this summer, such as *Twister*, and *Mission Impossible*, where massive promotion and star power is used to turn pictures of questionable quality into must-see extravaganzas.

While Disney's animation department has produced a string of huge blockbusters in the 1990s, its live-action films have fared poorly. Studio executives have been left looking jealously at big hits that have reached family audiences with a more modern feel - like the cross-dressing *Mrs Doubtfire*, or the anarchic *Home Alone*.

The *Lion King*, released in 1994, brought in \$300m (about £194m) at the box office alone and estimated profits of some \$1bn. Other animated films, such as *Aladdin* and *Toy Story*, have been huge cash cows.

By contrast, Disney's live-action department is thought to

have lost \$200m between 1992 and 1994, and though it may have broken even last year is expected to sustain some expensive write-offs in 1996.

Mr Roth said that he did not see "the economics justifying 40 pictures a year".

Disney's biggest success of the summer has itself been an "event" film, *The Rock*, about an assault on Alcatraz, starring Sean Connery. Released by Disney's Hollywood Pictures, it's non-stop action is meaty stuff.

The corporation is also seeking to hire Robin Williams for another star vehicle, a remake of the 1960s film *The Navy Professor*.

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STOP THE WAR BEFORE IT BEGINS

SOVIET AME

The videogame sequel to Desert Strike from Electronic Arts. Out this Autumn. So real, it's frightening.

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news

Men behaving honourably over divorce reform

Three men were having terrific fun yesterday, talking about marriage. In normal life, of course, wherever you have a number gathered together to discuss being wed (and what pertains to that blissful state) most of them will be gals. Men — even in these emotion-disseminating days — shun such conversations and drift off to exchange thoughts about golf, football and mistresses.

But this is the House of Commons, where pontificating about marriage is a mostly male preserve and where the future of the important Family Law Bill, dealing with a reform of the divorce laws, lay in the hands of our three heroes.

The first, Gary Streeter, until recently a rather anony-



DAVID AARONOVITCH

mous junior government whip, gained his new position representing the Lord Chancellor — and thus having to steer the legislation through the Commons — in the reshuffle following the resignation of the sexually careless Rod Richards. The fact that he was only there thanks to the adultery of a colleague does not prevent him from parroting the phrase "strong, stable mar-

riages", whenever his speeches seemed to demand a nice three-part peroration.

Having an even better time was his shadow, Paul ("Today Brent East, tomorrow Soweto") Boateng. For 15 minutes prior to the beginning of the debate Boateng and Streeter stood behind the Speaker's chair, Boateng doing most of the talking, I had to follow the conversation through body language. Boateng shrugged his shoulders, lifted his eyes and gesticulated towards the Labour benches ("It's going to be tight, Gary. The lads aren't happy"); spread his hands out, palm upwards and lowered first one and then the other ("It's 50/50 Gal, what can I say?") and kept on fiddling

with the braces under his pin-striped jacket ("Tell me, Gazza. Do you find these metal bits keep rubbing against your nipples?").

Our third happy lad was Edward Leigh, anti-divorce rebel, who sat in the Chamber, as the debate got under way preening himself for having forced the Government to give so many concessions to the "family" lobby. Mr Leigh has a face that looks as though it is moulded from a rather unstable pink wax. One by one, as amendments designed to mollify him were introduced and his pronouncements justified, the substance ran and congealed, forming an expression of almost beatific smugness.

The first amendment that the

three agreed upon was on the need for more marriage guidance counsellors. Lots of them. Well-funded ones, charged with the responsibility of advising folk on how to save their marriages. Gary promised them. Paul welcomed them. Edward took the credit for them. Things were going swimmingly.

But there were others who were not so ecstatic. Dame Jill Knight (Con, Edgbaston) wanted to know where all these marriage counsellors would come from. Would they be "spirited out of the ether"? she asked. Or would they be clergymen "spirited out of the church?"

While I was trying to work out which of Dame Jill's alternatives I would choose I heard the sound of a stone being rolled

away and the saintly John Patten stood up. With a sneer that started at the tip of his immaculate hair-do and worked down to his well-pressed trousers, he laid into the counselling industry. Who would screen the counsellors? "The rot set in", he said with massive contempt, "when they adopted politically correct names like Relate, Marriage Care. And I even heard the words *couple counselling* fall from the lips of a noble prelate".

Couple counselling? Those who really want stable, strong marriages would presumably prefer organisations with more robust titles like "Stay Hitched", "What About Yer Vows" and "Keep It Zipped". But they can't win. Yesterday smug won out over sneer every time.

Ministers snub British demands on beef ban

SARAH HELM Rome

Demands for a framework to settle the beef crisis were rejected by Britain's European partners yesterday, further fuelling the conflict just four days ahead of the Florence summit.

At a crucial meeting of European Union foreign ministers in Rome, the government came under concerted pressure to extend its cattle slaughter programme and end the campaign of disrupting EU business before any deal can be done. "It is not just a question of starting a war, it is also important (for the British) to terminate the war," said Jacques Santer, the European Commission President.

The foreign ministers rejected outright Britain's demand that the easing of the ban should begin with an end to the "worldwide" blockade on exports to third countries. They said the implementation of the BSE eradication programme should be a "pre-requisite" of any deal. Undermining Britain's hopes, Mr Santer declared that, even if Britain complied with the new demands, it would "not be legally binding".

Malcolm Rifkind, the foreign secretary, declared just a week ago that agreement on Britain's draft framework for a phased lifting of the ban — including what he termed "bankable assurances" from member states — would be initiated at yesterday's Rome "conclave".

However, as British negotiators hurried back to the drawing board, the government again appeared to have badly miscalculated the readiness of its European partners to help Britain out of its political dilemma. The chances of avoiding conflict at Florence, without heavy new British concessions, appear slight.

Despite warnings on Britain's blocking action of EU business, the Prime Minister's office was defiant. "We shall ensure it is at the forefront of everybody's minds during the course of the

discussions. Without the policy of non-cooperation, it is impossible to imagine we would have progressed this far in our discussions," said a senior government source.

An increased cull in the British herd would require Parliamentary approval and the future of Douglas Hogg, the agriculture minister, could be jeopardised if he returned to the Commons with a deal which was unacceptable to the farmers and Tory MPs. Mr Rifkind, in sombre mood, admitted yesterday: "The closer one approaches the moment of truth, inevitably one becomes more cautious."

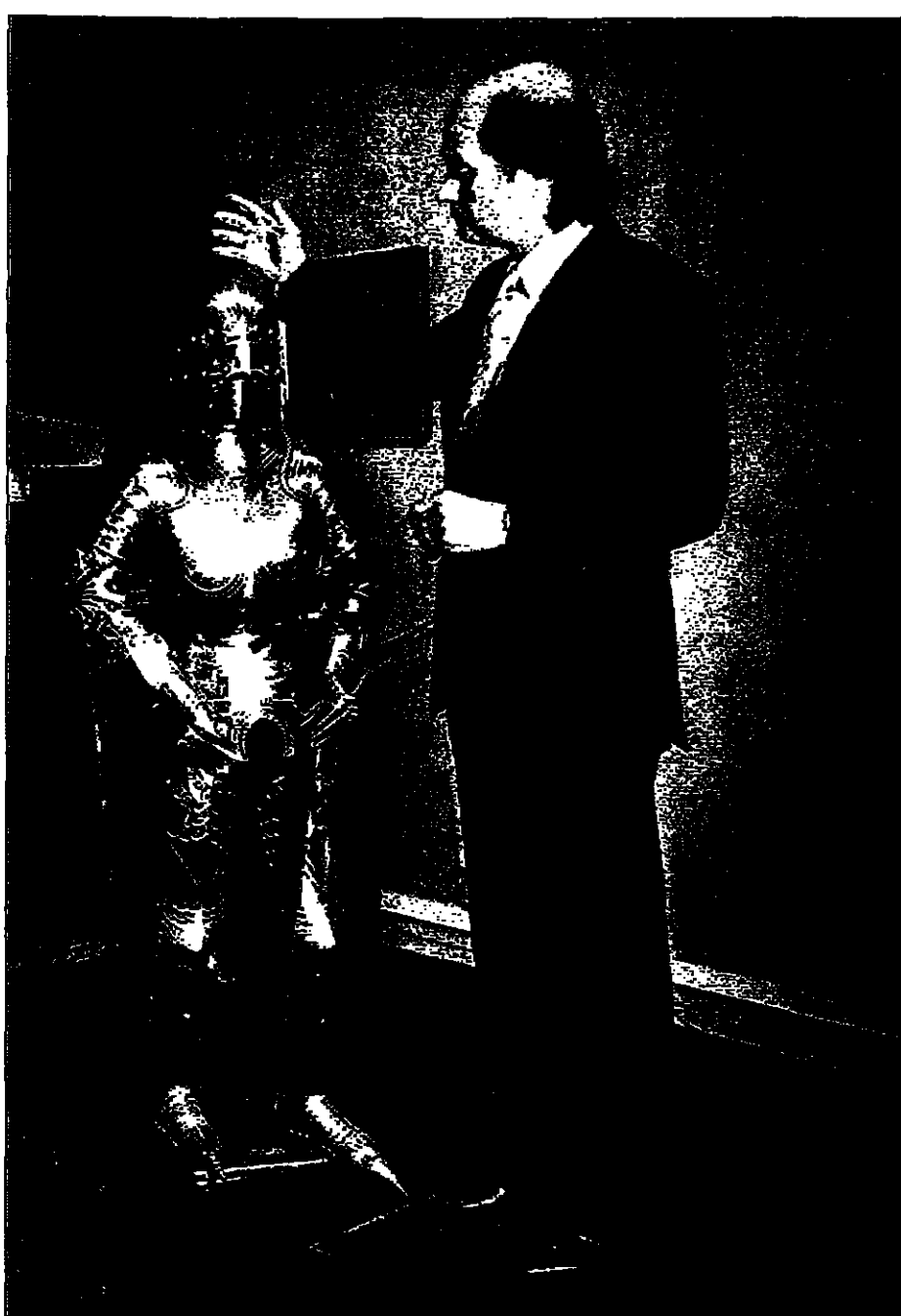
The attempts to defuse the crisis move to Strasbourg today where, at a meeting of the European Commission, further efforts will be launched to put together a framework deal. However, it now seems certain that the government will first have to agree to slaughter up to 20,000 further cattle — as demanded by the EU's own veterinary experts — thereby enraging Euro-sceptics in Westminster.

Mr Rifkind clearly hoped yesterday that the foreign ministers would accept the proposal for ending the blockade to third countries as a first step in the framework deal. France opposed lifting the blockade on third country exports first — for "ethical reasons". This approach would tell third countries that they should eat British beef, even though it was still not being allowed into the EU itself, the French argued.

Britain's partners emphasised that the only framework they were even prepared to consider was one which set out the "process" for lifting the ban.

At each stage that a new element of the ban is lifted, a decision would have to be taken by the European Union's standing veterinary committee, and agreed by a qualified majority of member states. There could be "no quick fixes," Mr Santer said.

In his most apocalyptic statement yet, Mr Santer warned that all decisions should be based on clear scientific evidence. "We are responsible to our children and to our children's children," he said. "This is too important to leave to politicians," said the Commission president.



Shining example: Pierre de Souza in Paris yesterday displays the armour he alleges belonged to Joan of Arc. Experts dispute its authenticity Photograph: Olivier Jobard

Hunt for Irishman who bought IRA bomb van

The IRA's plan to acquire a van large enough to hold 1.5 tons of explosive, and the audacity of their operation inside Manchester's city centre on Saturday, was revealed yesterday in details from the police terrorist investigation.

As detectives viewed video tapes from more than 40 surveillance cameras in the city hoping for further clues as to the identity of the driver of the Ford cargo van which carried the explosives, it was revealed that the van was bought in Peterborough on Friday for £2,000.

A man with an "Irish accent" responded to an advertisement for vans in an auto trade magazine. Assistant Chief Constable

Blast vehicle sold for £2,000 over telephone in mysterious deal, reports James Cusick

Colin Phillips, who gave details of the operation, said the buyer gave no name.

The sale was agreed over the phone without the van being seen. The cash, in a brown envelope, was given to the driver of a black Hackney taxi in Pe-

terborough who was told to deliver it to the seller's home. The delivery took place at 1.30pm. The buyer was told the van was parked in the Fensgate area of Peterborough. The Ford van was unlocked, its keys inside and unattended. Police believe the van was picked up between 3pm and 6pm. It may have stopped somewhere close, possibly a petrol station, to fill-up for its journey north.

Mr Phillips said finding the identity of the taxi driver who delivered the money was crucial to their investigation. The van, originating from Norwich, had recently been bought and sold a number of times. The Peterborough seller was investigated by the police and has been dismissed from their inquiries.

The IRA team must have driven the vehicle somewhere between Peterborough and Manchester, loaded it with home-made fertiliser and Semtex explosive and then continued into Manchester city centre the following morning.

Detective Superintendent Bernard Rees said that from camera recordings on Saturday, the van was parked in Corporation Street between 9.20am and 9.30am. The area would have been busy with shoppers, tourists and Euro 96 fans. In Manchester's central shopping area a van loading and unloading would have been nothing unusual. The bombing plan clearly took this into consideration. To further avert attention and add to the picture of normality the driver switched on the hazard warning lights. A traffic warden gave the van a ticket at 9.25am.

Within twelve minutes a terrorist bomb warning was given and at 11.15am, when the bomb went off, Manchester city centre was destroyed. Mr Phillips said: "We are now convinced the bomb was on a timer" and that the bomb disposal squad did nothing to trigger the explosion.

Go-ahead for human genetics scrutiny

TOM WILKIE Science Editor

In a remarkable policy U-turn, the Government yesterday announced that it is to set up a Human Genetics Advisory Commission to oversee the new science, including the use of genetic tests in insurance, employment and public health.

Representatives of families affected by genetic disease welcomed the establishment of the commission, which will report to both the Secretary of State for Health and the Office of Science and Technology.

John Gillott, for the Genetic Interest Group (GIG), said that the commission "would be very much welcomed by us". All those affected by genetic disorders hope that the new science will bring either better treatment or cures in its wake, but Mr Gillott said that GIG was also concerned about the possibility of abuse of personal genetic information. "If this commission can flag up these issues, it will be a step in the right direction," he said.

Over the past decade researchers have dissected the double helix strands of human DNA and teased out genes which, when defective, result in diseases such as cystic fibrosis, Huntington's Chorea, muscular dystrophy, and a small proportion of breast cancers and some cases of cardiovascular disease. But there have been incidents, particularly in the US, of discrimination against healthy people on the basis of what might be carried in their genes.

Nearly two and a half years ago, the Nuffield Council on Bioethics called for Government action to avoid abuse and to ensure that the positive benefits flowed from the research.

David Shapiro, secretary to the Bioethics Council, said that the commission, "marks significant progress. We are beginning to have the oversight of human genetics that is required."

The establishment of the commission represents a rare backbench victory. The Select Committee on Science and Technology had called on the Government to set up a commission last July. But the Government rejected any moves other than a committee on genetic testing.

SIGNIFICANT SHORTS

A father involved in a bitter custody battle over his 11-month-old daughter, was found dead in his car yesterday, with the body of the little girl by his side.

Unemployed salesman Eric Gleeson, 39, had failed to return daughter Adina to her mother in Carleton, near Fleetwood, Lancashire, after collecting her for an outing on Sunday.

A passer-by found the pair at dawn in a lay-by on the A6 at Carleton, with a teenage leading from the exhaust. Both had died from carbon monoxide poisoning, said police.

Mr Gleeson, who was said to have been depressed, had telephoned the girl's mother, Celeste Melville, on Sunday afternoon and told her she would not see her daughter again. He had told neighbours he was going away for the weekend.

A 30 per cent pay rise for MPs — which could raise their salaries by £10,000 a year — is under consideration by the Prime Minister's office, it confirmed yesterday.

The Select Committee Review Body met yesterday to consider its final report to No 10. It is widely expected to recommend the pay increases of up to one third on the backbench salary of £24,485.

John Major, who has criticised high salaries for fat cats, could be criticised by sanctioning a large increase for MPs, who earn more than comparable professions. But there is a caveat. It would increase the size of MPs' pensions, providing Parliament runs for a full term. That could provide a powerful disincentive to Tory rebels to bring the Government down. Colin Brown

Leading article, page 11

James Bond, has died, aged 85. The former diplomat and soldier suffered a heart attack at the home of friends in Hertfordshire.

Sir Fitzroy Maclean, the "real" James Bond, was most famous for being parachuted into Nazi-occupied Yugoslavia as a prime minister. Sir Winston Churchill's personal aide, Sir Fitzroy Maclean, died at the age of 85. He served as Conservative MP for Lancaster in 1944, while on active services and as Under Secretary for War from 1954 to 1957. From 1959 until 1974 he was MP for Bute and North Ayrshire.

Volkswagen has recalled around 105,000 cars after discovering a cooling system fault which could wreck their engines or injure drivers and passengers.

The move is part of a worldwide recall of 950,000 VW Golfs, Jetas, Passats and Coradios built in the 1980s. It follows a similar recall in February last year, involving 1.9 million Mark 2 Golfs and Jetas with the same problem.

The cars involved were fitted with a heater matrix made from a plastic which has been shown to degrade when exposed to excessive temperatures and which can seriously damage the engine or send hot water and steam into the passenger compartment.

The recall affects 1.3 million Golf and Jetta models built between 1983 and 1989 (A to G registration prefixes) and Passat models built between 1988 and 1989 (P and Q registration).

National standards for school meals should be decided by the end of the year, says David Blunkett, the Secretary of State for Education, last night.

At a conference in London, Mr Blunkett said that the Government was committed to raising standards in schools and that it was a priority to ensure that all children had access to a healthy diet.

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DAILY POEM

My Son the Man

By Sharon Olds

Suddenly his shoulders get a lot wider, the way Houdini would expand his body while people were putting him in chains. It seems no time since I would help him to put on his sleeper, guide his calves into the gold interior, zip him up and toss him up and catch his weight. I cannot imagine him no longer a child, and I know I must get ready, get over my fear of men now my son is going to be one. This was not what I had in mind when he pressed up through me like a sealed trunk through the ice of the Hudson, snapped the padlock, unsnapped the chains, and appeared in my arms. Now he looks at me the way Houdini studied a box to learn the way out, then smiled and let himself be manacled.

Sharon Olds was born in 1942 in San Francisco and now lives and works in New York. She has won many awards in the United States and her collection *The Father* was shortlisted here for the TS Eliot Prize. Her immediate concerns are the family: the passage from womb, to childhood, puberty, parenthood, adult love and death. This poem is taken from *The Wellspring*, just published Cape, priced £7.

هكذا من الأصل

At last . . . scientists have found the cure for the common cold. Or is it something to be sneezed at?

GLENDIA COOPER
and CHARLES ARTHUR

Could it be that one of the Holy Grails of medicine – the cure for the common cold – has finally been found? From the palpable excitement in the past 48 hours, it might seem that the rhinovirus, cause of about 60 per cent of colds, has finally been blown away.

Reports have suggested that a zinc-based compound, which could be taken in lozenge form, was able to prevent the virus which causes most colds from getting a grip on the nose and throat lining where it multiplies.

But as cold-sufferers dreamt of a sniffle-free winter, reports of its death were yesterday described as greatly exaggerated. Quigley Corporation, a US medicines manufacturer which has been a key source of funding for the latest research, dismissed as "inaccurate" the suggestions that it had helped find a cure.

Guy Quigley, the company president, said no further comment would be made by the company until the results of official clinical trials are published in six weeks time in the journal *Annals of Internal Medicine*. The leader of the research team, Professor Sabrina Novick of Hofstra University in New York state, also refused to comment and described discussion as "premature".

Some scientists question anyway whether there is any point in trying to find a cure at all. "Once you have a cold, you've got a cold. You have to ask whether it is worthwhile shortening its length," said Dr Geoffrey Scott, a microbiologist at University College London Hospital yesterday. "Whether it's necessary from a medical point of view is very dubious."

However, from the commercial point of view the benefits of finding a cure for colds caused by the rhinovirus would be immense.

Since organised medicine began, hyped cures for the common cold have occurred in as many varieties as the "rhinovirus" itself. Antibiotics have minimal effect, because they cannot destroy a virus. Vitamin C, whose virtues were touted by the great Nobel prizewinning chemist Linus Pauling, failed to have any noticeable effect in clinical trials.

The latest twist involves zinc – an essential trace element for digestion, reproduction, kidney function, diabetes control, taste and smell. Trials in the 1980s suggested that zinc-based compounds could shorten the duration of colds, but other scientists were unable to get the same results in their own trials.

Recent reports suggested that particular zinc compounds, if taken as soon as symptoms appear, could stop a cold before it gets a grip because the zinc ions would fill molecular "canyons" in the coat of the virus, preventing it from sticking to healthy cells in the nose and throat.

Yesterday, British experts remained deeply sceptical about the claims. Dr Ron Eccles, director of the Common Cold and Nasal Research Centre in



Not to be sneezed at: Finding a cure for the common cold would be a commercial goldmine Photograph: Edward Sykes

Cardiff, said: "I think it's being overhyped at present. It's interesting but it's very early to say what has been found."

"It's not very hard evidence. Someone has looked at the effects of zinc *in vitro* where it does affect the virus. But it is still a very big leap to test to see whether it works when you put it up people's noses. You can have things in a nice clean test-tube but in people's bodies there are all sorts of things that may not make it work."

Dr Scott agreed: "We've known for many years that zinc has anti-viral properties. But

without any clinical trials to look at, you can't comment on 'breakthroughs'. It's relying on hearsay. It's not the virus that is causing the symptoms. It is the immune response that causes this. It's part of the healing process. It's a very difficult problem to unravel."

One of the puzzling aspects of the latest claims is that zinc is naturally present in high concentrations throughout the body – leading sceptical scientists to wonder why it does not fill the "canyons" naturally, but requires a costly lozenge.

Cheaper remedies have been

used for centuries. Hot steam infusions including lavender, peppermint, rosemary, eucalyptus or thyme have some effect. Alcohol can help alleviate the misery.

The first reports that vitamin C might benefit the cold came in the 1930s. The idea gained much more public attention with the studies of Dr Pauling in the 1970s, who suggested that taking a milligram of vitamin C every day would reduce the incidence and severity of colds.

Unfortunately, his position was weakened when he gave a high-profile lecture backing this work

while suffering from a streaming cold.

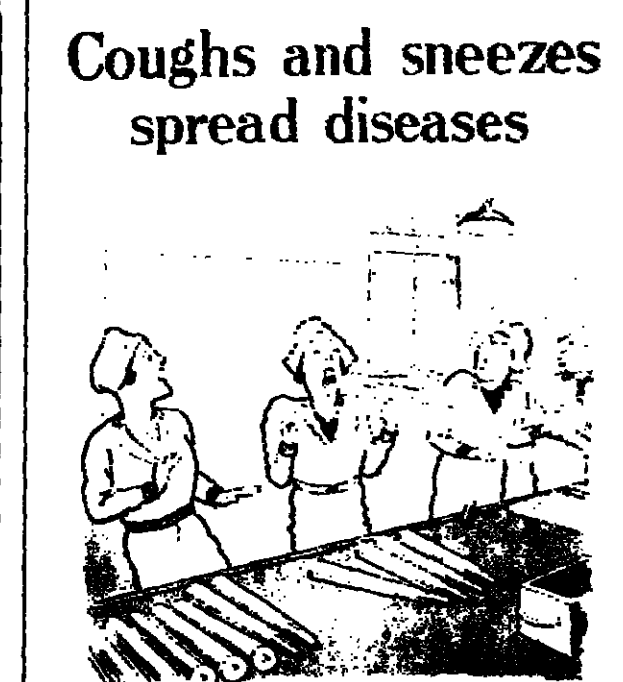
Worries about the latest suggestion for a cure have also focussed on whether people should be encouraged to take large amounts of zinc. Quigley Corporation recommends taking six lozenges – each containing 11.5mg – per day, a total of 69 mg. The recommended daily intake is 15mg per day.

Dr Trevor Delves, consultant biochemist at Southampton University NHS Trust, said: "It is not going to do you any harm to take 60mg of zinc over a short period of time but over

12 cold facts not to be sniffed at

1. More than 200 different known viruses cause cold-like symptoms; the rhinovirus (at 40 per cent) is the most common.
2. The highest speed at which particles expelled by a sneeze have been measured is 103.6mph.
3. Of every 100 patients consulting their GP about 24 will be there because of an infection of the upper respiratory tract.
4. Research has shown that the incidence of colds is higher among the better educated.
5. In 1785 Louis XVI of France decreed that all handkerchiefs must be square.
6. You cannot sneeze with your eyes open.
7. A Canadian folk remedy for the common cold goes as follows: put a hat on a table, drink from a whisky bottle until you can see two hats, then go to bed.
8. Research has shown that two units of alcohol a day will significantly decrease your chance of catching a cold but only if you are a non-smoker.
9. On average, everyone on earth has two colds a year.
10. The liquid most effective for treating the common cold has been shown to be chicken soup, which helps even if diluted 200 times.
11. Nearly 4 million working days are lost each year through the common cold.
12. Colds vanished almost completely from Sarajevo during the harshest period of the recent war, possibly because stress enhances the functioning of the body's defences.

COUGHS AND SNEEZES SPREAD DISEASES



Signs of the times (from top): A Second World War poster issued by the Ministry of Health; the front cover of a 1917 edition of the *Saturday Evening Post*; and a 1931 poster advertising the benefits of Vapex inhalant

Hamilton tested the effect of drink on his shooting

Thomas Hamilton spoke increasingly about guns in the weeks before the Dunblane massacre in which he wiped out 16 children and their teacher, the Cullen inquiry heard yesterday.

He talked of the "spray" effect of bullets and how bullets could "go through someone". Hamilton also said he preferred 9mm bullets, the type that he used in the massacre, and told how he tested bullets

to see which were the least prone to jamming.

Although Hamilton never drank, he said he had experimentally studied the effect of alcohol on his accuracy while shooting. Ian Boal told the inquiry. Two days before the massacre, said Mr Boal, Hamilton offered to lend him the video *Aliens* and also mentioned the video *Terminator*. "He said he liked them because of the guns," Mr Boal said.

Mr Boal, 22, a student of sport in the community who helped out in Hamilton's club, said he knew Hamilton had in the past been interested in guns but thought that interest had lapsed.

But around Christmas, Hamilton told him he was "heavily involved" in his guns. "He used to talk about the spray of a bullet, what a bullet could do," Mr Boal told the inquiry.

Hamilton also used to talk to Mr Boal of testing bullets and on one occasion described shooting at books at a target range, to assess the "spray" of a bullet through their thickness.

Mr Boal told Ian Bonomy QC for the Crown, that Hamilton also talked about the penetration of bullets.

"He talked about how a bullet would penetrate 30cm. His words were 'through someone'," Mr Boal said.

After an incident in January he got a letter from Hamilton criticising his teaching methods as "completely wrong", and he told Hamilton he would be quitting at Easter after the "hassle". Hamilton had given him by writing such a letter.

But Mr Boal, who met Hamilton when he responded to an advertisement for a sports coach at a summer camp, said that apart from his talk about guns, he saw no change in Hamilton's

behaviour in the period leading up to the massacre.

Mr Boal responded to the advertisement in 1994 and helped out at a summer camp at Dunblane High School that year. He noticed the sleeping arrangements were odd – they all slept in the common room.

The children, aged 8-12, were put through six to eight hours sport a day, which was too strenuous for them, and Hamilton would insist they wore black

swimming trunks for some activities, he said. When Hamilton later came to pay him his £280 wages for helping, the cheque bounced, said Mr Boal.

The inquiry continues today, when Scottish Secretary Michael Forsyth, MP for Stirling, and his Labour shadow, George Robertson, who lives in Dunblane, will give evidence. Stunned police seized a Nato forces SA-80 assault rifle when they raided a stall at a school

booth. A member of the public overheard the man trying to sell the weapon at the King Ethelbert School in Canterbury Road, Birchington, Kent, on Sunday.

Det Con Paul Risby said: "It is very worrying knowing this sort of weapon is available". A trained firearms officer is due to inspect the gun. The man selling the gun was not arrested, but may be questioned once the gun has been examined.

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news

Sex offenders face job ban to protect children

JASON BENNETT
Crime Correspondent

Convicted child sex offenders could be jailed for applying for jobs – including posts such as scoutmasters and foster parents – that involve access to youngsters, under Home Office proposals published yesterday.

The initiative is part of a package of measures aimed at cracking down on rapists and child abusers. About 8,000 people are year on year convicted of sexual offences.

The plans include extending DNA testing of prisoners jailed for sex crimes, greater supervision of criminals after their release, which could include the use of electronic tagging, and the creation of a national register of convicted sex offenders. Defendants' access to victims' statements and photographs would also be restricted to prevent them being used as a form of pornography.

The measures are part of a Home Office consultation paper, *Sentencing and Supervision of Sex Offenders*, which follows growing concern about sexual abuse – culminating in the last week's Government announcement of an inquiry

into children's homes. It also signals the heightened importance the Conservatives and Labour place on gaining a lead in the law and order debate.

Among the Home Office proposals are the creation of a new criminal offence of looking for a job involving access to young people aged under 18 while having a conviction for a sex crime against a child. The maximum penalty would be six months in jail and a £5,000 fine. The new offence would put the onus on criminals not to look for inappropriate employment. This could include people seeking to become foster parents and volunteers for posts such as boys clubs leaders.

The paper also proposes extended supervision of convicted sex offenders on their release. In some cases offenders could be ordered to stay away from specific areas such as schools and electronic tags could be used to monitor their whereabouts.

On DNA testing there is a proposal to extend powers which allow samples to be taken from people convicted of a sex offence since April 1995 and placed on a national database. The Home Office would like to

test about 3,500 serving sex offenders who were jailed before April last year.

The paper proposes that on their release, convicted attackers would be required to notify the police of any change of address. People with old convictions could also be required to register. Police records only list the address the offender was living when convicted.

The Government believes that a more comprehensive register of sex offenders would help the police to identify possible suspects following a sex crime. Failure to register could result in a month jail sentence.

Michael Howard, the Home Secretary, said: "There needs to be better protection for the public from those who carry out sexual offences. Such crimes can have a devastating effect on the victim."

Jack Straw, Labour's home affairs spokesman, gave the announcements a guarded welcome. He criticised the Home Office for blocking Labour's proposals on sex offenders and said the proposals did little to address the difficulties in obtaining convictions.

The consultation period for the paper ends on 9 August.

Inquiry to be held into child abuse scandal

STEPHEN GOODWIN
and ROGER DOBSON

The Government yesterday drafted in a former High Court judge to hold a public inquiry into abuse in children's homes in North Wales in the hope of closing what William Hague, Secretary of State for Wales, described as "a very sad chapter in the history of public childcare".

An inquiry commissioned by the former Clwyd County Council referred to 305 cases of often horrific abuse of children in care – but the report was never published for fear of legal action for defamation.

Seven former childcare workers were convicted, but speculation has continued that the actual abuse was on a "much greater scale", Mr Hague told the Commons.

Simultaneously, Stephen Dorrell, Secretary of State for Health, published the terms of a wider review of safeguards for children living away from home. The review by Sir William Utting, former chief of the Social

Services Inspectorate, follows a series of disclosures in the *Independent* and *Independent on Sunday* of abuse in children's homes in Clwyd and Cheshire.

Sir Ronald Waterhouse, 70, a former judge of the High Court Family Division, will consider the abuse of children in care in the former counties of Gwynedd and Clwyd since 1974.

Welcoming the inquiry, Ron Davies, the shadow Welsh Secretary, pressed for it to examine the role of the North Wales police and the Crown Prosecution Service. There were allegations that police files relating to abuse in Gwynedd had "disappeared", and one individual in the CPS was alleged to have decided that prosecutions in respect of "hundreds" of allegations would not have been in the public interest, Mr Davies said.

Mr Hague confirmed that Sir Ronald will be free to examine the role of the police and the CPS, and also the much-criticised Welsh Office social services inspectorate which, according to the unpublished

Jillings report, did not inspect a single children's home in Clwyd during the years when the allegations were emerging. "The Government is determined that there should be no cover-up ... and that every possible step is taken to protect children in care in future," Mr Hague said.

New rules to combat the suppression of reports into child abuse are urged by Adrienne Jones, former director of social services in Birmingham.

Her report, the 15th into child abuse in Clwyd and Gwynedd and the first to be published, comes in the wake of concern that councils have been under pressure from insurance companies not to publish child abuse investigations results because former residents might use them to make claims.

"In the light of recent events around the publication of the Jillings report, we believe that action needs to be taken by Government to clarify issues of status, indemnity and extent of publication of case review material," she says.



Loyal shoppers: Sainsbury's launch of its Reward Card yesterday marks the latest round in the Trolley Wars

Photograph: Brian Harris

Now Sainsbury's play loyalty card

ROS WYNNE-JONES

When Tesco launched its loyalty card scheme 18 months ago, Sainsbury's was dismissive. David Sainsbury, chairman of the store group, described the move as no more than an "electronic Green Shield stamp".

Yesterday, Sainsbury's appeared to join the crowd, by launching the Reward Card. This latest piece of plastic to clog up the shoppers' wallets was unveiled the same day as Tesco launched its new Clubcard Plus – so signalling the latest round of the Trolley Wars.

The purses of the British public are now awash with cards rewarding them for undying loyalty to one or another supermarket. The Sainsbury's

faithful should, by now, have two cards – Spend & Save, used in Homebase, and the all-new Reward. Tesco customers will be putting the Clubcard Plus next to their Clubcards.

Clive Vaughn, a consultant at Verdict Research, the specialist retail analysts, said: "These schemes obviously work. Tesco has managed to get 8.5 million people to sign up. And the cards give the supermarkets vast amounts of data about who is buying what, information that they are only just starting to use effectively."

Mr Vaughn thinks that, on balance, Tesco's Clubcard Plus offers the best value. "Sainsbury is now where Tesco was 18 months ago," he said. Like other loyalty discount bonus

schemes, the Reward Card allows customers to build up points when they spend more a certain amount. In a major link-up with British Airways, customers with this card can also clock up Air Miles.

Clubcard Plus, meanwhile, develops the loyalty card into a payment card. The money that members put on to their cards each month is deducted from the balance reached after a shop at Tesco. The money earns interest at a rate of five per cent per month and credit is given at nine per cent. Money can be withdrawn through "cash-back" and at NatWest cash-points.

Tesco has not yet commented about Sainsbury's marketing about-face, but an insider suggested that the supermarket had

itself turned down a similar deal with Air Miles. "We have had discussions with a number of companies," said a spokeswoman for Air Miles. "Sainsbury's was attractive to us, as we share a similar brand image."

Sainsbury's is keen to regain the number-one supermarket slot now occupied by Tesco. Last month the chain revealed a £100 million slump in annual earnings, its first fall in profits for 22 years as a public company. "We are confident our new card will pull business away from [rival supermarkets]," said Kevin McCarten, Sainsbury's marketing director.

Mr McCarten predicts that the Reward Card will produce sales growth of about three per cent. Launching it is costing the

group between £10m and £15m, but the link with British Airways produces a vast data base and valuable marketing information on about 10 million people.

As for the other players in the field, Sainsbury's maintains its ABC card still offers a better deal, while ASDA, which initially sat out the early Trolley Wars, has finally succumbed to the loyalty trend by trialling a card in 18 stores nationwide.

"But surveys we have conducted show that people are far more concerned with value for money than with loyalty schemes," said Judith Robinson, the supermarket's marketing director. "Independent research has shown that we offer the lowest prices nationally and our priority is to maintain that."

How supermarket chains hope to score points and win many loyal customers		
<p>SAFeway</p> <p>ABC</p> <p>DEDDED BONUS CARD</p> <p>Safeway ABC Card: Customers can collect one point for every pound they spend, without having to spend a minimum amount. Points can then be redeemed at the check-out till, which will mean customers will not have to hang around for vouchers.</p> <p>Independent Loyalty Rating: **** In-store payment points are planned for the future. Customers will soon be able to "Shop and Go".</p>	<p>SAINSBURY'S</p> <p>Reward Card</p> <p>Sainsbury's Reward Card: Points exchanged for Air Miles or vouchers after a minimum spend of £5, one point for every pound. Eventually vouchers will be available at check-outs. Air Miles can be exchanged for a variety of goods, but there is no credit facility.</p> <p>Independent Loyalty Rating: *** Took 18 months to copy Tesco's idea, which was ridiculed at the time by one David Sainsbury.</p>	<p>TESCO</p> <p>CLUBCARD</p> <p>plus</p> <p>Tesco Clubcard Plus Points exchanged for cash vouchers after a minimum spend of £5 (£10 on the Clubcard). Money paid each month on to card at 5 per cent interest, which is debited each time the card is used. Can use to withdraw cash from NatWest machines. Allows people to budget for food.</p> <p>Independent Loyalty Rating: **** Points mean prizes.</p>

Multimedia 96: free ticket with

THE INDEPENDENT

multimedia 96

The interactive business award
business design centre london
18 / 19 / 20 June 1996

Everyone these days has heard about CD-Roms, the Internet, virtual reality. But few people realise they are going to become the most important business tools of the Nineties.

The *Independent* is convinced of this, which is why we have sponsored the British International Multimedia Association award for the most innovative use of multimedia in business. You can see the finalists' submissions at the UUNET PIPEX stand at Multimedia 96, which starts today in London – head for the BIMA Awards Showcase there. And to make life easier yet, you can get into the show absolutely free just by bringing along a copy of today's *Independent*.

At Multimedia 96 you can see the future laid out stand by stand: it is the interactive event of the year for business. Whether you are looking to train your staff, sell your product, communicate your business message or publish information, you will find a multimedia product or service to set you on your way.

Multimedia 96 gives you the chance to witness first hand the benefits digital technology could bring to your business. It brings together over 150 companies, including Apple, UUNET PIPEX, Oracle, Philips and Macromedia – all offering cutting-edge multimedia solutions. From worldwide communications over the Internet to portable screen-based presentation and training packages, Multimedia 96 will put you on track for your digital future.

Special events



Rooms with a digital view: the family of the future will have a wide range of gadgets and toys to put them in touch with the cyber-age

As well as the main exhibition there is a host of seminars and special features. They include: The Campaign and Marketing Interactive Forum Sponsored by *Campaign* and *Marketing* magazines, the Forum brings together the technology and the talent to enable advertising and marketing professionals to make sound decisions about the development of interactive marketing.

an Open Forum of leading advertising professionals debating issues such as retailing and multimedia, how to make people come back to your Website, the role of narrowcasting versus broadcasting and other such hot topics.

Interactive Marketing Gallery
Top ad agencies, including Bates Dorland,

Cobbe Smith Terris and Carat Interactive, let you sample online applications developed for their clients on PC, TV and in kiosks.

The Digital Sitting Room
How will interactive marketing work in the home? Find out in our funky futuristic sitting room, furnished by leading designer Michael Young and

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featuring a Philips 48-inch Home Cinema System, talking notebooks, a set-top Internet connection that is the size of a paperback book and costs less than PDS300, and an interactive television from Two Way TV.

The Interactive Training Centre
For your training needs, look no further. Leading providers of bespoke and generic multimedia training solutions, including Peritas, Video Arts and Melrose demonstrate packages delivered on CD-Rom, CD-i and by the Internet and Intranets.

BIMA Multimedia at Work Seminars
A series of case study-based seminars gives you the opportunity to find out how real organisations, including BSKyB, Rank Xerox, Carling, Thomas Cook and Penguin Books are exploiting multimedia in their businesses. Seminars costs PDS60 plus VAT and are bookable at the show.

WHERE IT IS
Multimedia 96 opens today at the Business Design Centre, Upper Street, London N1 and runs until Thursday. Opening hours are 10.00-18.00, with a late night until 20.00 Wednesday.

As an *Independent* reader, we are offering you free entry to the exhibition. Simply take a copy of today's paper with you and save the PDS20 entry fee. Every visitor will also receive a free show CD-Rom.

صوتنا من الامم

Ten year cancer warning for Pill users

LIZ HUNT
Health Editor

New findings on breast disease hailed
as a breakthrough by scientists

Drug safety experts are to review guidance on the Pill following new data which suggests a small, increased risk of breast cancer for current users which persists for a decade after they stop taking it.

The diminishing risk disappears after ten years and therefore former users are at no increased risk of breast cancer compared with women who have never taken the Pill, according to the data to be published later this week.

An unexpected finding is that breast cancers in women who have taken the Pill are less likely to have spread beyond the breast — and are potentially more curable — than in women who have never taken it. Scientists cannot explain this.

In addition, the absence of a long term risk (after ten years) for former users is true regardless of how old women were when they began taking the Pill; how long they took it, and what type of Pill they took. The good and bad news

elements of the findings may do little to help women reach a conclusion in the long-running Pill safety debate, but scientists hailed the four-year study, the largest to date of the links between oral contraceptives and breast cancer, as groundbreaking.

Dr Valerie Beral, head of the Imperial Cancer Research Fund's Epidemiology Unit which reviewed 54 international studies involving 53,000 women with the disease, said that the new findings — to be published in *The Lancet* — highlighted the age at which women stopped taking the Pill as a "crucial" factor.

Because the incidence of breast cancer is lower in young women, the estimated increase in the number of breast cancers diagnosed up to 10 years after stopping is smaller for the younger women when they last used the Pill.

The data shows that in 10,000 women who used the Pill from

aged 40 to 44, about 260 breast cancers would be diagnosed in the period from starting use to up to 10 years after stopping, compared to 230 cancers in non-users.

In 10,000 women who used the Pill from age 25 to 29, the corresponding figures are 49 breast cancers compared to 44 cancers in non-users. In 10,000 women who used the Pill from ages 20 to 24, the figures are 17.5 and 16, and for women who used it from ages 16 to 19, they are 4.5 and 4.

Dr Beral said: "We now know that more than 10 years after stopping the pill, women are not at an increased risk."

Sue Wood, head of the Post-Licensing Division of the Medicines Control Agency, said yesterday that the risks and benefits of the Pill would be reviewed in light of the new findings, but it is unlikely that existing advice on prescribing it would change substantially. Family planning and

birth control support groups have urged women not to panic over the new findings or to stop taking the Pill.

Previous "scare" — linking it to breast cancer or blood clots — have resulted in numerous unplanned pregnancies and abortions.

Anne Weyman, chief executive of the Family Planning Association, said: "The study shows a very small additional risk for younger women which increases with age. These risks have to be balanced with the Pill's protection against other cancers such as ovarian and endometrial (womb) cancer."

The Birth Control Trust said that the cost of the last Pill panic in October 1995 over an increased risk of clots with modern Pills was "devastating."

For the majority of women under 35 the advantages of the Pill are far greater than the disadvantages of serious, but rare complications, a spokeswoman said.

■ Pill users seeking information could call the FPA's contraceptive education service helpline on 0171 837 4044.



Screening process: The incidence of breast cancers diagnosed 10 years after the Pill has stopped being taken has been found to be lower in women who started using it at a young age
Photograph: David Rose

Ostrich firm 'siphoned off' £7m of funds

A "get-rich quick" ostrich-farming firm siphoned off £7m of investors' money through a "shadowy" finance company, the High Court heard yesterday. The Ostrich Farming Corporation was running an "illegal operation that was bound to fail", it was claimed. The Mansfield-based firm is facing a winding-up order at the High Court after an inquiry into its activities.

Philip Heslop QC said its advertising was misleading, its pyramid-style selling was bound to fail and many investors who own birds did not know that they were probably dead. "They claimed that their facilities throughout Europe and in the UK were the largest and most technically advanced. In fact this company never owned a single farm and the claims were thoroughly misleading."

But the advertising, and a projected minimum return of £500 per bird, led to huge investment in the company, which touted ostrich meat as a lean and tasty alternative.

Mr Heslop said an Official Receiver investigation uncovered an investment of £4m in March this year, £300,000 less than in February. Investors paid £738,000 between 28 March and 4 April of this year, shortly before the DTI inquiry.

"£7,495,305 had been paid to Wall Street, an offshore company, the investigation found.

The company is a very shadowy Delaware offshore company and there seems to be absolutely no reason at all for these monies to be paid," Mr Heslop said.

He said company was run by a Kevin Jones, who knew the Ostrich Farming Corporation's directors. Neil Cunliffe-Williams, Brian Ketchell, and Alan Walker. Mr Cunliffe-Williams was involved in another action involving a separate ostrich-farming company at the High Court yesterday.

Mr Heslop added: "While each investor is supposed to be able to identify his particular ostrich, it is impossible to do so. The Official Receiver, who travelled to Belgian farms, discovered that 446 ostriches were known to be dead."

At an earlier hearing, Mr Justice Lightman imposed a receiver on the Cheshire-based Pinstripe Farming Company Ltd, accusing the company's voluntary liquidator, Stephen Conne, of "quite disgraceful conduct". The firm was set up by Mr Cunliffe-Williams, who, the court heard, received "substantial remuneration" before it was declared solvent.

Lawyers in both cases argue that the ostrich companies are in breach of financial guidelines set up to protect the investor.

The Ostrich Farming Corporation case continues today.

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politics

£120m paid for advice on shelved rail project

CHRIS BLACKHURST
Westminster Correspondent

A Westminster lobbying firm is among a group of consultants to have received more than £120m in taxpayers' money to advise on a government project that may now never go ahead.

Labour is demanding an investigation by the Commons Public Accounts Committee into the hiring of consultants, for the Crossrail project, linking London's Paddington and Liverpool Street stations.

In all, £124m was spent on 83

firms and individuals to advise on a scheme that has been shelved. This is one of the largest sums spent by a public body on external advisers for any project, and almost certainly the biggest amount on consultancy advice for plans that look as though they will never come to fruition. Opposition anger has been further fuelled by the disclosure that one of the consultants was not a design, engineering or architect practice, but Ian Greer Associates, a Westminster lobbying firm.

Advice on the Railtrack pri-

visations, by contrast, cost £42m and for selling British Coal, £34m. The Crossrail bill comes after ministers last year called against the spiralling Whitehall consultancy bill and promised a clampdown.

Work on Crossrail, joining the east and west mainline stations, will not start for seven years at the earliest, Sir George Young, Secretary of State for Transport, announced recently.

Sir George has indicated the £2.6bn railway may be abandoned for good later this year. London Transport, British Rail

and Railtrack had hoped to start the parliamentary process to enable the construction of the line later this year, but Sir George ordered the three organisations not to proceed with plans "for the time being".

In a letter to Glenda Jackson, Labour's spokeswoman on London transport, and passed to the Independent, Peter Ford, chairman of London Transport, confirmed that up to 31 March, £150m of public money had been spent on the shelved scheme. Of that figure, all but £26m had gone on consultants,

"external to the project team".

Of the firms and individuals who received the cash, most were designers and architects, but the list also included Ian Greer Associates and Charles Barker, a public relations company. The consultancy costs average out at almost £1.5m per consultant - or more than 80 per cent of the total cost of the scheme.

Ministers refused to give details of the costs, claiming they were "a matter for London Underground". Ms Jackson said London Transport claimed that the costs were a matter for

the Crossrail Project Team, while a Crossrail spokesman maintained the cost to individual contractors could not be provided on grounds of commercial confidentiality. She said that when asked for the total costs and names of contractors, the Crossrail spokesman claimed the information was "too complicated to find".

In his letter to Ms Jackson, the London Transport chairman said: "I apologise for the delay in replying, only I have had to check the matter carefully in order to see what information

we should release." Ian Greer Associates is believed to have been advising London Transport on expected resistance at Westminster to its plans. The lobbying firm has aroused controversy in the past because of its close association with the Conservatives and current and former members of the Government.

Ms Jackson said it was "bad enough that £150m of taxpayers' money has been squandered on a project that has not even made it past the drawing board. But what is worse is that over 80

per cent of those costs have been spent on consultants, at least one of whom has close links to the Conservative Party".

A London Transport spokesman said he could not speak about individual contracts. However, he said that "Ian Greer has provided us with a straightforward parliamentary monitoring service." The money had been "spent wisely and prudently. We got the best value for it", he said. Whether or not Crossrail went ahead was "a matter for the Government and Railtrack".

Lib Dems urge curb on powers of Queen

COLIN BROWN
Chief Political Correspondent

MPs could be moved from Westminster, where the Commons has met for centuries, under wide-ranging plans for parliamentary reform proposed yesterday by the Liberal Democrats.

The traditional Commons chamber, based on the chapel pews where MPs used to sit, could be replaced by a chamber-in-the-round, to end the confrontational clashes between the two main parties across the despatch boxes.

The Liberal Democrats propose cutting the number of junior ministers, in order to reduce the Government's power of patronage and return some power to the backbenches.

The Queen would no longer have the power to call a party leader to form a Government. It would be for Parliament to decide which party commanded the confidence of the Commons to form a Government.

MPs would be given a pay increase but would be expected to limit their earnings outside Parliament. The number of MPs could be cut from 650 to 450, with larger constituencies.

The aim of the changes is to make Parliament more relevant to the people that the MPs are supposed to represent. Legislation should be written in simpler language, and the Commons should be put on the internet.

The Liberal Democrats say the Dogs Bill and the Poll Tax legislation are examples of how bad laws are being passed by Parliament owing to the inadequate checks on the power of the executive.



The Queen at Windsor: Lib Dems plan to do away with her right to summon a party leader to form a government

Photograph: Peter McDiarmid

"MPs are used to being ignored. Under these proposals, the Commons would cease to be an antechamber of ministerial offices," said Bob MacLennan, a member of the review team. One of the most worrying aspects of Parliament was the alienation of the public.

"It is to some extent because of the partisanship and the procedures, such as Prime Minister's Questions, which we propose to change," Mr MacLennan added.

The Liberal Democrats would make Question Time less adversarial and change the

system, so that it was more informative. Other proposals include fixed-term parliaments, changes to procedure to stop filibustering of legislation and more consultation on legislation before Bills are passed.

The idea of moving out of Westminster is too controversial

to permit the Liberal Democrats to propose a change of location. However, the review team, led by Michael Ryle, a former senior clerk of the Commons, said it could be considered in the long term.

In the meantime, MPs will enter the millennium still meet-

ing in a mock-Gothic Royal Palace with Victorian modes of dress, including clerks who wear wigs, and a Sergeant at Arms who carries a sword in case the MPs become too unruly.

C4 *Parliament for the People*, Liberal Democrat policy paper 20, £3.50

Green taxes can 'cut pollution and create jobs'

NICHOLAS SCHOON
Environment Correspondent

New "green" taxes which curb pollution could allow £22bn a year to be slashed from other taxes and create up to 700,000 jobs, a think-tank claimed yesterday.

The left-leaning Institute for Public Policy Research proposes an energy tax on commerce and industry, much higher road-fuel duties, increased taxes on dumping waste and a new tax on quarrying.

The money raised should be used to reduce employers' national insurance contributions, value-added tax (VAT) and the rate which businesses pay to help finance local government.

The authors, Stephen Tindale and Gerald Holtham, point out that the Government raises less than 10 per cent of its revenue from taxes which discourage pollution, such as fuel duties.

But half of public spending is financed from income tax and national insurance, which are detrimental to job creation.

Their report suggests gradually increasing green taxes, starting immediately after the next general election and rising to a maximum in 2005.

The energy tax would put about 50 per cent extra on all purchases of fuel and power used by businesses. The tax on dumping solid wastes would be £25 a ton, compared to £7 set

by the Government when it enters into force later this year.

Road-fuel duties would rise by 8 per cent a year, after inflation has been accounted for, rather than the 5 per cent the Government is committed to.

And £9 a ton would be imposed on each ton of rock quarried, to encourage efficient use of minerals and recycling of demolition wastes.

Apart from bringing about drastic cuts in pollution and increases in recycling, the new taxes would allow employers' national insurance contributions to be cut by 7 per cent.

According to a computer simulation of the effect of the taxes on the British economy, such a reform would lead to the creation of 700,000 jobs.

The authors chose to apply their biggest tax - on energy - only on businesses and not on households, largely to avoid alienating the Labour Party, whom they hope to influence into taking on board their recommendations.

"That's *realpolitik* - the introduction of VAT on fuel has queered the pitch in this whole area," said Mr Tindale. Furthermore, they believe industry and commerce are more likely to respond to higher fuel prices by economising on their usage than households.

Green taxes, available free from the IPPR, 30-32 Southampton St, London WC2E 7RA.

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New Freelance Writers Needed

By Stephen Baker, Publisher

Do you want to write and see your work published?

I can't think of a better way than to become a freelance writer. Inspiration flows naturally - the ideas coming directly from your own life experience. As you start out, the likelihood of getting that first, memorable cheque from a publisher for freelance articles and stories is better than for all other kinds of writing work.

When you are more experienced, you may get cheques coming in from other jobs, such as novels, film scripts, theatre, or children's books. But for now, your focus is on breaking into print, becoming published and being paid for it. After that, you can decide where you want your writing career to lead.

But as a publisher, I speak to freelance writers all the time and they tell me this: You'll go a long way before you find any kind of writing as rewarding as creating short stories and articles for newspapers and magazines.

The satisfaction of writing a concise piece that really conveys your ideas and opinions is an experience you won't find elsewhere in the writing world.

"But what market is there for my work?"

The financial rewards can exceed most people's expectations because there's a surprisingly big market out there for writers who are trained to tap it. Millions of

pounds worth of freelance work is purchased every year and virtually every publisher of magazines and newspapers buys a significant part of their publication from 'outside'. That's more than 1900 papers and 7300 magazines so there's plenty of room for new freelancers.

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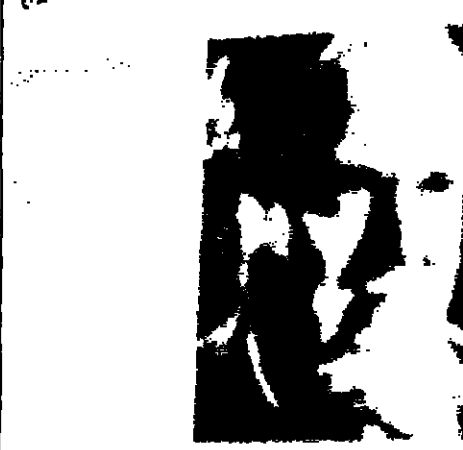
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edited by David Lister

Animators all agog with the lure of Hollywood fame



Cartoon time: A member of the Grog family with animator, Deiniol Morris, in AAArgh's Cardiff studio

Photograph: Huw Evans

MARIANNE MACDONALD
Arts Correspondent

The quick tales of Wallace, the inventor, and Gromit, his long-suffering canine sidekick, have captured a niche market for British talent. Almost single-handedly, Nick Park, 37, the characters' inventor, has blazed the 3D animation trail in this country. But now he has a rival. Make way for Gogs, courtesy of young animators from north Wales, Deiniol Morris, 33, and Michael Mori, 25.

If you have not heard of Gogs, you soon will. The animated series features an earthy Stone Age family consisting of grandfather, parents, son, daughter and baby. Refinement is not in their vocabulary: this lot are up to their ears fighting dinosaurs and inventing fire.

Until now Gogs has only been seen on S4C, the Welsh-language fourth channel - though as the characters grunt rather than speak, the language could be immaterial. Soon, though, the animated plasticine characters may appear on BBC2. The network has shown an interest,

perhaps spurred by ratings being pushed up by the adventures of Wallace and Gromit.

This month Gogs won the top animation award at the prestigious Banff television festival in Canada.

Three weeks ago the down-to-earth animators, who together formed AAArgh! animation a year and a half ago, were invited to Stephen Spielberg's Los Angeles ranch.

Spielberg, a founder of the new production company, DreamWorks SKG, is interested in luring them to the United States to work on animation projects, which possibly could include a feature film.

"It was quite nerve-wracking, but great," said Mr Morris. "The meeting took place in this little ranch of Spielberg's. I think it was given to him as a gift from the investors of E7.

The toilets were like something out of *The Flintstones*. We sat with them for an hour going over some ideas. We had some ideas we wanted to do, too." Spielberg was particularly taken by the first episode of Gogs, which shows how the family discover fire after light-

ning hits a tree. They order their son to guard it, but the warmth sends him to sleep.

"In the morning there's a dinosaur right in front of him and there's one flame left so the son picks up the burning twig and sticks it up the dinosaur's backside. The dinosaur runs away and in triumph the son blows the twig out, so the family kick him in," Morris explained.

Unlike Park, who has met Spielberg for talks but resisted being bought by Hollywood "lock stock and barrel", Morris and Mori admit they would be tempted by an offer from DreamWorks.

Morris, who left school at 16 to do a foundation art course, agrees it would mean moving to Los Angeles. "But obviously, we wouldn't like to turn down the chance."

This spring Park won his third Oscar - in the Best Animated Short Film category - with Wallace and Gromit in *A Close Shave*. If they do take up Spielberg's offer, it might not be long before the men behind AAArgh! are on the Oscar podium, too - thanking, among others, the grunting Gogs.

Postcards from the cutting edge of Waugh's wit

MARIANNE MACDONALD

Evelyn Waugh died 30 years ago, his name indissolubly linked with his poignant account of decadence and decay among the aristocracy - *Brideshead Revisited*. But a series of letters to be auctioned by Sotheby's offer an unexpected portrait of the author as a young man: short of cash, essaying his first marriage, and delighting in his particular brand of mordant wit. Estimated to be worth £3,500, the letters and cards were written to his first publisher, Thomas Balston, mostly between 1928 and 1931 when Waugh's first novel, *Decline and Fall*, was hugely popular.

It was published in 1928, the year Waugh, aged 25, wed Evelyn Gardner. "We move into Canonbury Square, probably... next week," an early postcard reads. "We have a bed, your sofa and a dining room table. I think that is enough to start with, don't you?" The next letter was written after Waugh had sat up with Evelyn all night. "She is laid up with a very nasty attack of flu... I have really been most worried about her - temperature up to 104 yesterday and slightly delirious."

"Evelyn is recovering," a letter reports with relief two weeks later, "but she is in for a long convalescence. Today, she is sitting up in bed... falling deeply in love with her doctor. Waugh's writing career was flourishing, meanwhile. *Decline and Fall* seems to be going well," a 1928 letter announces. "I am threatened with four libel actions and a horse whipping." Two years later, Waugh noted with amusement that *Vile Bodies*, his second novel, "is advertised in Calcutta as 'Vile Bodies'".

Waugh's world was shattered in 1929 when Evelyn left him for a mutual friend, John Heygate. A letter that year asks Balston to cancel his dedication of his biography of the painter Dante Gabriel Rossetti to her. "I wish I was handing Evelyn over to someone less radically contemptible, but clearly that is a matter in which I cannot exercise any choice..."

Waugh married Laura Herbert - his first wife's cousin - seven years later. They had six children and Waugh lost none of his mischief, as a later letter reveals. "Many thanks for your congratulations after the birth of our daughter. I foresee that she will be a problem - too noisy for a man, too plain for a wife. Well, standards of beauty may change in the next 18 years."

The 19 letters will be sold on 28 June.



Waugh wrote regularly to his publisher, Thomas Balston

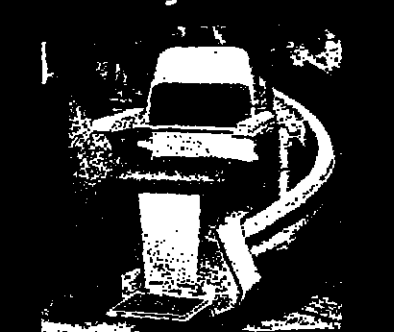
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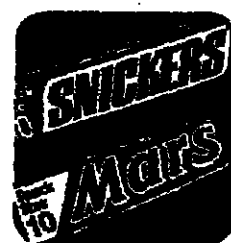
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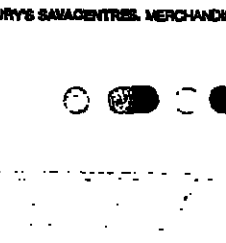
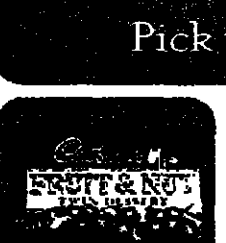
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international

SIGNIFICANT SHORTS

France and the United States have formally agreed to share information on nuclear weapons technology under a pact that was secretly signed in Washington last month, diplomatic sources confirmed yesterday. The agreement will allow French and US scientists to swap important technical information, including data from computer-simulated explosions, to assist both countries in maintaining the effectiveness of their arsenals after the expected signing of a comprehensive nuclear test ban treaty later this year.

Until now, only Britain has had a formalised agreement with the US on atomic and nuclear affairs. Britain tests its nuclear weapons in the Nevada desert and buys warheads from the US. British sources said the American agreement with France was important, but would "never be as profound or as culturally bound as our own with America". The agreement, meanwhile, marks a sharp change of tack for France, which until the end of President François Mitterrand's government, used to defend fiercely the independence of its nuclear deterrent. "This kind of deal would have been unthinkable for France until very recently," another diplomat remarked. *David Osborne - New York*

The troubled trial of Erich Priebke, the former Nazi SS captain who took part in the Ardeatine Caves massacre outside Rome in 1944, ground spectacularly to a halt yesterday as the chief prosecutor accused the judge, beneath the military court of bias and criminal activity. Prosecutor Antonino Intorcia formally submitted what he said was written evidence that one of the three judges was implicated in a crime. Other prosecutors, meanwhile, complained about the cursory treatment of some witnesses and said they had growing suspicions that the verdict had been decided in advance. The trial, which had been drawing to a close, is now suspended until 10 July while an appeals court considers the allegations. If they are accepted, the whole process will have to start again. *Andrew Gumbel - Rome*

The former tennis star Ili Nastase conceded defeat yesterday in his attempt to become mayor of his home city, Bucharest, capital of Romania, despite taking his opponent to a second round run-off. Official results showed Mr Nastase trailing with some 43 per cent compared to about 57 per cent for Victor Ciorbea, a trade unionist and lawyer.

In the build-up to Sunday's vote, Mr Nastase, who stood for the governing Party of Social Democracy (PDSR), promised to use his international connections to solve Bucharest's many infrastructural problems. But while he brought flair to the contest, many questioned his suitability for the post, pointing to his lack of education and long years away in France and the US. Mr Nastase's superficial grasp of the real election issues was highlighted in a television debate last week in which he resorted to hurling insults at Mr Ciorbea, who was standing for the opposition Democratic Convention.

Despite his disappointment, Mr Nastase was pleased that he had doubled the PDSR vote in Bucharest, an opposition stronghold, and hinted he intended to remain in politics. The Bucharest poll, part of nationwide municipal and county elections, was seen as a key test ahead of parliamentary and presidential elections later this year. *Adrian Bridge*

Fire destroyed a black church in south-eastern North Carolina yesterday. Hills Chapel Baptist Church in Rocky Point was the second church to be burned down in less than two weeks. The authorities did not immediately know whether arson was the cause. Also, a suspicious fire early yesterday heavily damaged a former sanctuary at a church in Georgia with a primarily white congregation, authorities said. *AP - Rocky Point, North Carolina*

Albania's ruling Democrats have scored a sweeping victory in a partial re-run of a disputed general election. Results from Sunday's high-turnout ballot confirmed their landslide win in the former Communist state's third multi-party election. Most opposition parties, including the key Socialists, again abstained from the voting, which was called after a first round was plagued by accusations of irregularities and criticised by several Western governments. *Reuter - Tirana*

The Yugoslav war crimes tribunal yesterday admitted a case of mistaken identity and dropped all charges against a Bosnian Serb suspect who had been accused of murder and torture. The dismissal marks the first time that the tribunal has withdrawn charges against any of the 58 indicted war crimes suspects from the conflict in the former Yugoslavia. The tribunal reversal underscored one of its major hurdles, identifying the often obscure perpetrators of atrocities committed several years ago. Goran Lajic, who was ordered freed immediately, is apparently a case in point. *AP - The Hague*

Red-turbaned horsemen with spears and muskets killed hundreds of thousands of people yesterday in celebrating the enthronement of the new sultan of Sokoto, spiritual leader of 50 million Nigerian Muslims. Mohammed Maccido, considered a more pious and humble man than his predecessor, was officially handed the staff of office he had been denied eight years earlier. "I appeal to all the people to unite. I also appeal to the government to examine the difficulties of the Nigerian people and come up with immediate solutions," the white-robed and turbaned Mr Maccido told the jubilant crowd. Mr Maccido was named sultan in April when the military authorities dethroned Ibrahim Dasuki for "unbefitting behaviour", citing evidence of tangled business dealings. Yesterday's celebrations were peaceful, in contrast to the bloody riots that erupted in 1988 when a former military government set Mr Maccido aside in favour of Mr Dasuki. *Reuter - Sokoto, Nigeria*

Russian elections: Turn-out crucial to boost President's 2-point lead

Boris smoothes path to run-off

PHIL REEVES
Moscow

With the first round of the Russian presidential election out of the way, and a modest victory under his belt, Boris Yeltsin yesterday switched his attention to two crucial tactics to ensure he wins the run-off: boosting the turnout, and doing a deal with the non-Communist candidates who are no longer in the contest.

With almost all the vote counted from Sunday's poll, the President could take some comfort from having successfully netted 34.82 per cent — just over two points ahead of his rival, Gennady Zyuganov, leader of a Communist-nationalist coalition, who had 32.13 per cent.

Although Mr Yeltsin's lead is several points less than the Kremlin had hoped for, it represents a remarkable political feat, given his deep unpopularity six months ago.

However, he was at pains not to sound triumphalist: "No one should take it easy in the hope that everything will work out of its own accord," he said in a television broadcast.

Last night the attention of both the Kremlin and the Communist high command was on how to convert their figures into enough votes to win the second round next month.

Both sides announced plans to approach the main third party candidates for negotiations, but there was no doubt about who was first on their visiting list: General Alexander Lebed, the nationalist candidate and retired paratrooper who polled an unexpected 10 million votes — 14.71 per cent.

The Kremlin, which has been wooing the general for a while, said that Mr Yeltsin met him to discuss "ways of possible co-operation", without saying what these were. It is clear, though, the Mr Yeltsin plans to offer him a top job, possibly that of first deputy prime minister.

Although the general has ruled out working with the Communists, Mr Zyuganov was also in hot pursuit, flourishing the possibility of a deal and pointing out that any attempt by him to join the existing government would be tantamount to deserting his voters. The Com-

munist leader also, accurately, remarked that voters "are not serfs, they cannot be inherited". General Lebed is not the only candidate who suddenly found himself with a surplus of dancing partners. The President's team were yesterday reconsidering talks with Grigory Yavlinsky, the liberal economist, whose vote stood at 7.4 per cent.

The renowned eye surgeon, Svyatoslav Fyodorov (who won less than 1 per cent), was also being seen as a target in what Mr

Yeltsin's chief campaign strategist, Sergei Filatov, called an attempt to "create a unified movement of democratic, reformist forces".

This group did not, however, include the ultra-nationalist, Vladimir Zhirinovskiy, who attracted 5.8 per cent, or, for that matter, the lonely figure of Mikhail Gorbachev, who persuaded only 0.5 per cent of the voting public to support his comeback.

The next few weeks will be a tricky period for Mr Yeltsin. For

more than three months he has scarcely put a foot wrong, despite being under non-stop public scrutiny as his bandwagon raced around the country, distributing largesse. With victory in sight, there is a risk his team, which is divided, will make an error.

Public outrage over the war in Chechnya seems to have cooled after Mr Yeltsin successfully coaxed the rebel leader, signed a ceasefire, and then held its top man, Zelimkhan Yandarbiyev, hostage while he went to the republic. Although negotiations have since limped along further, the conflict remains a political liability. Another mass hostage-taking, or a repeat of the farcical episode when the Russians bombarded a Dagestani village in January, would be damaging.

They are also worried about the turnout in the second round. There is a risk that Russians are election-weary, especially as many are clearly unenthusiastic about both candidates. If the turnout drops to 60 per cent, the core Communist vote may be enough to pass the 50 per cent winning post.

In an effort to reduce the risk of a no-show, Mr Yeltsin was yesterday reportedly planning to ask the State Duma (lower house) to hold the race on 3 July, a Wednesday, which would be declared a national holiday. But even if this move founders, the odds are strong that he will serve a second term in the Kremlin, despite his suspect health and a patchy record. Although it will not be welcomed in the West, it will not be a cause for celebration among liberals who, like many Russians, regard the President as a lesser of two evils rather than a champion of democracy.

Shortly before Sunday's vote, Mr Yeltsin vowed to make sweeping changes in his government, although he said he would not be bringing back the young economists who earlier oversaw the reform and privatisation process, for example, Anatoly Chubais.

None of this is likely to lessen fears that a victorious Mr Yeltsin, who cannot by law run again, will lapse into the isolation that characterised his administration last year.

How they polled

Boris Yeltsin	25,147,036 votes	34.82%
Gennady Zyuganov	23,206,245 votes	32.13%
Alexander Lebed	10,627,098 votes	14.71%
Grigory Yavlinsky	5,349,802 votes	7.41%
Vladimir Zhirinovskiy	4,218,888 votes	5.84%
Svyatoslav Fyodorov	672,876 votes	0.93%
Mikhail Gorbachev	365,124 votes	0.51%
Martin Shakhmurov	250,897 votes	0.36%
Yuri Vlasov	143,777 votes	0.20%
Vladimir Bryntsalov	116,966 votes	0.16%

Preliminary official results with around 98 per cent of votes counted. Total is less than 100 per cent because voters could register a vote against all candidates. Source: Reuter

'Third man' courted as the king-maker

PHIL REEVES
Moscow

Alexander Lebed does not look much like a Juliet. An ex-boxer, he has the scarred face of a fighter, complete with a badly broken nose. His voice is so deep it sounds like a distant earthquake. In fact, his only unimpressive feature is his name, which translates as "swan".

And yet yesterday the two-star general and former paratrooper found himself with two Romeos. Boris Yeltsin and Gennady Zyuganov, the Communist candidate for the presidency, were pursuing his hand after he confounded the pollsters by getting an estimated 15 per cent of the vote in the first round of the Russian presidential elections on Sunday.

Although he failed to qualify for the two-man run-off, his surprising performance has given him a valuable dowry. Mr Yeltsin and Mr Zyuganov want his support, and they are prepared to barter. The Communist leader said he wanted him to join his coalition.

But the most likely outcome was the general would be offered, and would accept, a senior job by the President, who he met yesterday.

It marks an astonishing reversal of fortune. Six months ago, the 46-year-old general's short political career seemed to be fizzing out after his party, the Congress of Russian Communities, bombed in the parliamentary elections with less than 5 per cent of the vote.

Matters seemed to be getting worse this year when talks broke down to form a united democratic front, or "third force", with the liberal economist, Grigory Yavlinsky, and renowned eye surgeon, Svyatoslav Fyodorov. No one could agree on who would be boss. But Sunday's result proved beyond doubt that General Lebed is on the rise again.

The general first came to prominence in 1992 when, as commander of the 14th Army, he successfully ended fighting between the federal forces and Russian-backed separatists in Moldova. He went on to quit his commission following a row with the unpopular Defence Minister, Pavel Grachev.

His popularity is rooted in his brand of Russian nationalism,

and a reputation for toughness and incorruptibility. To Russians, weary of crime and chaos, he stands of *pravdyak* — order. He is not a liberal, but nor is he a hard-liner, even though he can occasionally be mistaken for one. He does not, for example, seek the restoration of the Soviet Union, even voluntarily, unlike many of those in Mr Zyuganov's entourage of communists and nationalists.

"I am not a dreamer," he told the *Independent* earlier this year, "The Soviet Union died. The person who is not sorry about its destruction has no heart. But the person who dreams of restoring it has no brains."

Although he likes to refer to himself as "an iron fist" on law and order, he wears velvet

gloves when the discussion turns to free speech and human rights. A free press is "a necessary part of the democratic process", jury trials, which are still at an experimental stage in Russia, are a good thing; he favours the death penalty.

Only occasionally is there a glimpse of murkier depths. Russian politicians often start to chew on their lips when you mention Stalin, not least because they know that the dictator remains an idol among many potential voters. It may be that the general's remarks have more to do with strategy than heartfelt admiration. None the less, they still place him in the same category as some of the more virulent colleagues of Mr Zyuganov.

"Stalin is dead," the general told me. "Before he died he became a part of history. What kind of part is a different question. But, whether it was negative or positive, nothing can be changed. ... But I very much respect, in principle, a person who can start something and carry it through to the finish."

It is a point he frequently makes to his audiences. The general has, in the past, spoken admiringly of the former Chilean dictator, General Augusto Pinochet, although he has long since distanced himself from such sentiments. These days, as he manoeuvres into a position to run for president in four years' time, his rhetoric is more carefully chosen. Not long ago, he described NATO as "a big drunken hooli-

gan in the kindergarten" — the only growl up who he thinks he can do what he wants.

Exactly what job General Lebed will be offered by Mr Yeltsin is still unclear. His military background makes him a possible replacement for General Grachev, whose blunders over Chechnya and mishandling of military reforms has long made him a candidate for the axe. But he may want more.

In addition, the problems that are likely to attend Mr Yeltsin's plans to end conscription, and the continuing Chechen conflict, make it a politically perilous post. A man with General Lebed's presidential ambitions may want a safer nook in which to wait until Mr Yeltsin's health fails, or the next election in 2000.

It has long been rumoured that the Prime Minister, Viktor Chernomyrdin, will depart from government soon, although the general would make an improbable successor. He is not a professional manager or an economics expert, and is unlikely to want to run the risk of becoming — as Mr Chernomyrdin has — the President's occasional whipping boy.

A more likely solution was suggested yesterday by Alexander Shokhin, a member of the President's campaign team, who suggested that a job should be specially created for him — possibly first deputy prime minister in charge of the security agencies, combined with secretaryship of the powerful Security Council.



Man of the moment: An NTV employee prepares Alexander Lebed for an interview in Moscow yesterday

Photograph: AFP

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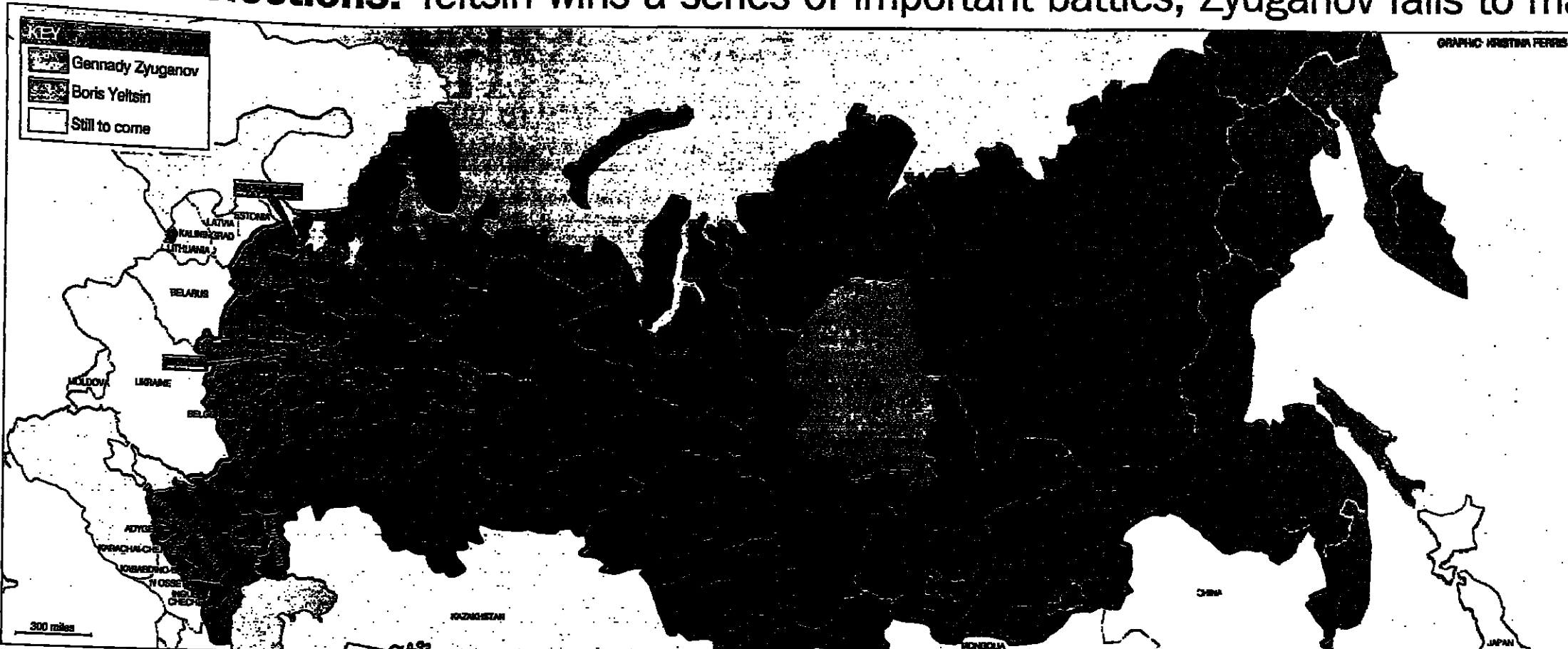
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Russian elections: Yeltsin wins a series of important battles; Zyuganov fails to make inroads



Surprises for rival Zyuganov

The preliminary results of the Russian election show the map turning from red to blue, as the vote for Boris Yeltsin picked up across the country. The comparison is with legislative elections in December 1995, when Mr Yeltsin was not a candidate, but Our Home is Russia backed his policies.

In the map representing last year's results, black represents Vladimir Zhirinovskiy's Liberal Democrats, pink represents Grigoy Yavlinsky's Yabloko, and yellow, other parties. All but one of these regions voted for Yeltsin. Early results showed him ahead on some prize territory: Krasnoyarsk Territory, Ivanovo, Novgorod, Tomsk, Irkutsk and elsewhere.

The Communists have not substantially increased their traditional 25 million-strong vote support, despite a strong showing in Russia's red belt and some surprise success - notably, Tatarstan.

West looks to Yeltsin victory in run-off

TONY BARBER
Europe Editor

Western politicians and diplomats expressed relief yesterday at Boris Yeltsin's narrow first-round election victory over Gennady Zyuganov and said the incumbent president looked on course to win a second term in office. "I felt for a long time that in a run-off between Mr Zyuganov and Mr Yeltsin, Mr Yeltsin would continue to have the edge, and I haven't changed that view," said Thomas Pickering, the US ambassador to Moscow.



Zyuganov: West fears he will reverse economic reforms

"I believe that Yeltsin has a very good chance of being elected in the second round, and

economic progress, based on flourishing private enterprise, should consolidate Russian democracy and make it less vulnerable to extremist challenges.

However, Germany's Foreign Minister, Klaus Kinkel, drew attention to the strong performance of Alexander Lebed, the retired army general who campaigned on law and order and a revival of Russian national pride. Mr Lebed's score of almost 15 per cent was "a sign of discontent in the Russian electorate", Mr Kinkel said.

Nato officials said they were untroubled by the fact that the combined vote for Mr Zyuganov, Mr Lebed and the ultra-nationalist, Vladimir Zhirinovskiy, was slightly over 50 per cent. The main features of the West's relationship with Russia - broadly constructive co-operation, coupled with frostiness over individual issues - were likely to stay in place, despite the considerable popularity of Russian politicians who emphasise "national greatness" ahead of democracy and economic reform.

There was unanimous delight at the relatively poor performance of Mr Zhirinovskiy, who left Western leaders speechless with dismay in December 1995 when his party triumphed in parliamentary elections. "It is a great deal more preferable that Lebed take 15 per cent and see himself as a king-maker than Zhirinovskiy," one European official said.

Among the 1,100 international observers who monitored Sunday's voting, there was general agreement that the election had been free and fair. However, a delegation from the Organisation for Security and Co-operation in Europe (OSCE), which contributed about half of all the observers, expressed concern at biased coverage in the state-owned Russian media.

This appeared to refer to the way that Russian television in particular concentrated on the progress of Mr Yeltsin's campaign, while limiting coverage of Mr Zyuganov or presenting him in a less favourable light. "The delegation trusts that the Central Electoral Commission will investigate these issues and, if necessary, take appropriate action to prevent them occurring in the future," an OSCE statement said.

President Bill Clinton congratulated Mr Yeltsin on a "strong showing" in the election. "This is a very significant thing for Russia to have this election," Mr Clinton said. "The Russian people and Russian leadership are to be complimented for supporting the constitution and the elective process."

Despite disagreements with Mr Yeltsin over issues such as Nato's planned enlargement into central and eastern Europe, Western leaders had made it plain before Sunday's vote that they greatly preferred the President to Mr Zyuganov. The Communist candidate is viewed with suspicion because of his calls for the Soviet Union's restoration, his past association with militant, anti-democratic Russian nationalists, and his apparent inclination to halt or reverse many of Mr Yeltsin's economic reforms.

For the West, much hinges on a Yeltsin victory in the second round. If he wins, it may be possible to achieve a compromise on Nato's enlargement, with the alliance taking in the Czech Republic, Hungary and Poland but agreeing not to turn these countries into "forward bases" filled with Nato troops and weapons pointed at Russia.

The West also believes that a Yeltsin victory offers the best chance of maintaining the Russian economic recovery that began last year and is underpinned by a \$10.2bn (£6.5bn) loan from the International Monetary Fund. The hope is that steady

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Britain's beef with closer EU blocks reform

SARAH HELM
Rome

Inter-Governmental Conference: New Europe treaty could be delayed by up to six months

British intransigence in talks about European Union reform may delay important decisions on reshaping the EU until the end of 1997, six months later than expected, say diplomats in Brussels.

Three months after the launch of the Inter-Governmental Conference (IGC), set up to rewrite the Maastricht treaty, negotiations remain stalled, say officials involved.

Britain's reluctance to allow the other 14 member-states to progress towards further integration has characterised the ne-

gotiations. Although the British campaign of blocking EU business, the result of the beef ban, does not directly apply to the IGC talks, British negotiators have been "even less co-operative" in the IGC since the beef crisis began.

Foot-dragging has been the order of the day, officials say. "If we had to conclude our discussions now it would definitely be a conclusion signed by only 14," said one Italian diplomat.

Several states, led by Germany and France, had hoped a positive report on the first three

months of talks might be ready for the Florence summit, which opens on Friday.

When EU foreign ministers met in Rome yesterday to prepare the summit, Lamberto Dini, Italy's Foreign Minister, urged the summit, which concludes the Italian presidency, to give "new direction" to the reform programme.

However, diplomatic signals indicate that a delay in the conclusion is possible. Postponing the end of the IGC to December 1997, under the Luxembourg presidency, is alarm-

ing Central and East European countries that fear their hopes of early membership will be further set back as a result.

A delay could also prompt new calls for postponing the launch of monetary union, due to begin on 1 January 1999. Although the outcome of the IGC is not directly linked to planning for the single currency, most states had anticipated the Maastricht reform would have been completed well ahead of the single-currency launch.

But Britain's partners acknowledge a delay could have

positive side-effects. The hope in many continental capitals is that by December 1997 a Labour government will have been in power for more than six months and be ready to take a more positive role on the European stage.

The growing talk of postponement reflects increasing frustration among Britain's partners at the Government's opposition to key elements of their reform plans. Diplomats say the stalemate has meant real negotiation has not yet begun. "It is just a paper-chase; every-

one recites their position, but nothing is decided," said an EU diplomat. "With a British election pending we all realise that concessions from John Major are less and less likely."

Before the IGC launch in Turin in March, Britain's partners said they were anxious to conclude their next round of reforms as soon as possible. Germany and France, the countries in the vanguard of the IGC process, argued that rebuilding the Brussels institutions and reshaping the decision-making process were of paramount im-

portance, given the necessity of preparing to enlarge the Union to up to 27 members.

On the agenda, however, are issues of extreme sensitivity to the British government. Britain is under pressure to agree to a reduction in the use of the national veto, more powers to the European Parliament, as well as more shared decision-making in areas such as foreign policy, immigration and justice.

Mr Major has made it clear that Britain would oppose such moves in the IGC talks. The only issue which has se-

riously engaged the IGC negotiators is a plan for greater "flexibility" in EU decision-making. European diplomats say the need for such flexibility has been made even clearer since Britain has demonstrated the destructive power of the veto during the beef crisis.

Flexibility, in the eyes of most member-states, means allowing some groups of countries to proceed faster towards integration without being held back by others. Britain has long been identified as the "slowest ship in the convoy" and the IGC negotiators are speeding their efforts to move forward, leaving the tardy behind.

Hillary fires back at her accusers

RUPERT CORNWELL
Washington

A Whitewater week of fire for the Clintons began yesterday as the First Lady tersely dismissed new Republican allegations about her involvement with a collapsed Arkansas savings-and-loan bank, and jury selection began in Little Rock for a second Whitewater-related trial in which the President will have to give testimony.

In Washington, furious exchanges swirled around the closing report from the Senate Whitewater committee, whose next-to-last act was a request for written answers from Hillary Clinton. They relate to charges that as a lawyer dealing with the failed Madison Guaranty bank in 1986, she ignored warnings that a \$1.3m (£855,000) loan could be improper.

In a two-page affidavit sent to the committee yesterday, Mrs Clinton coldly referred the committee to earlier sworn evidence to federal investigators into Madison. She insisted she knew nothing of the purported warnings that were disclosed last week by a former Madison executive. But a covering letter from her lawyer, David Kendall, was far blunter.

Lambasting the committee for leaking portions of its report before Mrs Clinton's testimony had arrived, Mr Kendall accused the panel's Republican majority of "a last-minute, hit-and-run smear". It made no difference what information was provided to the committee, the report was simply "the politically pre-ordained verdict of a kangaroo court".

Yesterday, indeed, saw a second leaked installment of the draft final report, this one con-

taining the conclusion that White House lawyers, from the former counsel Bernard Nussbaum downwards, had "seriously misused" their public offices by doing private White-water work for the Clintons.

As in Sunday's first excerpt, sketching out a plot by Mrs Clinton and her aides to keep law-enforcement officials from the office of the late deputy counsel Vince Foster in 1993, the choicest accusations were again on the front pages of leading newspapers like the *Washington Post*, just as their Republican authors intended.

The rest of the final report is due to be unveiled today, along with expected referrals of Mr Nussbaum and two other associates of the First Lady to the Whitewater special counsel, Kenneth Starr, for investigation for possible perjury to the committee and obstruction of justice. Whether or not Mr Starr takes up the suggestion, the Whitewater torture of both Clintons is fated to continue through the summer.

This week, separate Congressional hearings will be held into the controversy over the confidential personal-background files, extracted from the FBI by young White House aides in 1993.

The trial of two Arkansas bankers for allegedly making improper contributions to Bill Clinton's 1990 campaign for Governor will also focus attention on the seamy side of politics in the state.

The President's videotaped testimony is scheduled for 7 July. Lurking in the background, meanwhile, is Mr Starr, the biggest single threat to the Clintons' continued occupancy of the White House.



Coalition talk: Mr Netanyahu in discussion with Rabbi Rafael Pinhasi, of the ultra-Orthodox Shas religious party

Photograph: AP

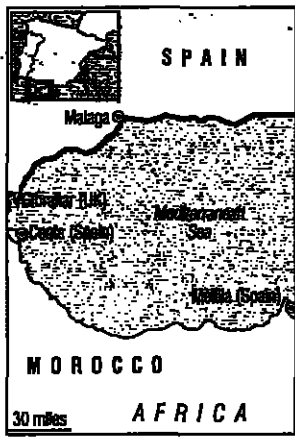
Israelis await new cabinet

Jerusalem (AP) - The Israeli prime minister-elect, Benjamin Netanyahu, was shaping a cabinet yesterday that may exclude or sideline rivals in the right-wing Likud party.

He overcame last-minute snags with the Russian immigrant party of Nathan Sharansky, who won two ministries for his seven-seat faction. Mr Netanyahu was moving rapidly to complete coalition talks and present his cabinet, which can have no more than 18 members, to the Knesset, or parliament.

The chief loser appeared to be Ariel Sharon, the former defence minister and leader of the Likud party's right wing. He reportedly was promised, and accepted, the housing portfolio, only to see Likud sign a deal with the United Torah Judaism religious party that would require Mr Netanyahu to keep the ministry under his personal control and give the religious party key powers.

Other Likud "princes", possible successors or rivals of Mr Netanyahu, did not fare as well as they hoped: Benjamin Begin was offered the science and technology ministry and Moshe Katzav, Likud's outgoing Knesset faction head, was slated for tourism.



Eight hurt as refugees riot in Spain's African enclave

ELIZABETH NASH
Madrid

Up to 100 Central Africans lodging in makeshift refugee camps in the Spanish enclave of Melilla in Morocco staged a sit-in protest yesterday outside the city's government offices, demanding permission to travel to the Spanish mainland.

The protest followed a violent clash before dawn between dozens of illegal immigrants and

police in which eight people were injured, five of them policemen. Madrid's representative in Melilla, Enrique Beaud, said he was prepared to examine the case of each immigrant but "would not respond to measures of pressure against the government".

Mr Beaud said he would not disclose the protesters by force but "would not initiate contacts with them until they lifted their protest".

The police detained a Nigerian suspected of starting the fight among those camping in field tents in a courtyard of a disused Red Cross hospital. The tents, beds and amenities made available by the Red Cross and the city authorities were torn to pieces in the fight, and the authorities were yesterday seeking alternative lodgings.

"There was an incident of aggression, possibly under the effects of alcohol, involving

some 50 illegals," said Antonio Ramirez, a Melilla city spokesman yesterday. "Local residents alerted the police, who were attacked with stones and chunks of iron when they intervened. The police fired rubber bullets and smoke canisters to quell the disturbance."

Some in the camp had been waiting for up to a year for permission to enter Spain in pursuit of political asylum. Many are refugees from Central

Africa's bloody wars. Most enter Morocco and then Melilla with no documents. Once in Melilla, they cannot leave without a visa. This means months of waiting or deportation back to their country of origin.

Morocco has started clamping down on the entry of illegal immigrants, but the Central Africans continue to arrive in Melilla and Ceuta, Spain's other Moroccan enclave, where 200 immigrants rioted last October.

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صوتنا من الداخل

Better pay for MPs, if it means better MPs

Members of Parliament deserve 30 per cent – yes, maybe even a bit more. On past evidence, that opinion will cause much hollow laughter and saloon-bar sneering. MPs! Sellers of questions, traders in influence, fly-by-night lobbyists, part-timers: how can they deserve more money? And that is even before nature's trade unionists weigh in, asking: "What about the going rate? What kind of signal does an inflation-busting increase like this send? What price productivity gains?" Still, it is worth repeating: the quality of British parliamentary democracy depends, at least in part, on giving MPs more money than they currently earn.

The argument for higher pay has two legs, although the first is, on second thoughts, more of a prophylactic. MPs have to be paid enough to lessen the urge among reasonable, decent-minded parliamentarians to pursue other sources of income, which damages their effectiveness in the Commons and its committees. Sleaze, let's be clear, is not worrying because there exists some hard-and-fast principle forbidding all and every outside source of income for MPs.

Freelancing by MPs is not deplorable in itself. What matters is that when companies or lobbyists pay MPs to ask questions, or make speeches, or attend functions, they degrade what still has the potential to be a high-grade legislature. They lessen

Parliament's effectiveness, and that is the offence. Extra money is worth paying if it makes the House of Commons function better as a law-making and monitoring chamber.

How much more? That difficulty is the same as the figuring to be done by Lord Nolan's committee or by some yet-to-be-established committee of rocket scientists or crystal-ball gazers. It's a judgement fraught with tricky comparisons and political risk. The existing link between MPs' pay and Grade Five civil servants won't do. No disrespect to that workhorse cadre from Whitehall but theirs is not the right level of pay for a very special group of men and women chosen by the nation to make our laws. (That word "special" is worth dwelling on. MPs are unique. The idea that comparisons can and ought to be drawn between them and the legions enrolled in Mr Rodney Bickerstaffe's Union is preposterous. They are not in the public sector. They, by their votes, make the public sector.)

The top salaries' review board looks set to give MPs some £45,000 a year. This is not what deputy secretaries in Whitehall command nor even what managers of large NHS trusts can expect, let alone what business executives of successful companies can aspire to.

It is, however, starting to look reasonable for this purpose. An MP

earning that kind of money has no excuse for moonlighting. Let's be precise. Doing what George Walden or Roy Hattersley do – writing articles which editors like – is merely to exploit the same kind of gifts which made both of them admirable, if unsuccessful, politicians. But selling time and effort to lobbyists is different. What higher salaries do is give the sleaze merchants even less of an excuse.

The Prime Minister may be dangling more money in front of his backbenchers as some kind of end-of-term loyalty bonus. His intentions are irrelevant. More money for MPs justifies

itself as a building block of legislative professionalism. During the course of the twentieth century, certainly since the First World War, the House of Commons has been in decline both as a deliberative chamber and as a monitor and custodian of the expenditure notionally willed by its majorities. In the more recent past the interplay of party and the ever-growing complexity of public management has left MPs as ciphers, lobby fodder whose reputation is only partly redeemed by the doggedness of certain select committees. The problem is broadly one of amateurism and lack of self-confidence. These are

thoroughbred politicians who behave like legislative also-rans.

We have had a lot about MPs abusing their positions. And some do. Every legislature will – the beauty of democracy, this – always include a few rotten apples, however tight the policing, however strong the chorus of public disapproval. But, truth to tell, these examples are few – for the good reason that MPs lack clout. MPs' scope for corruption would be greater if they had not already allowed the executive to usurp much parliamentary influence. And that's the really important point. MPs deserve public scepticism less because of the occasional case of petty corruption, but because they are so powerless – because they have allowed the whips and ministerial patronage to ride roughshod over their rights as representatives and their obligations as tribunes.

Higher pay for MPs will get a straightforward "snouts in the trough" response from many voters. But there is a bargain being struck here. After Nolan, and the tighter rules on disclosure of outside income, this newspaper, like some others, accepted that a fit quid quo pro would be somewhat higher salaries.

It is fair to stick by that, however unpopular, and unpopular, that may be this morning. But higher pay has to be part of a new settlement.

Judge us anew, MPs ought to say, on

our performance as the spokesmen and women of the public interest, willing to think afresh about modernising the operations of Parliament, about the size of the Commons, about law-making and administrative oversight. MPs deserve a rise – but only if. If it ushers in a cleaner, more effective Commons, restoring the broken bond of trust between governors and governed. For the sake of the country, that would be a deal worth striking and a pay rise worth paying.

Save the common cold

In a conservationist age, don't viruses deserve any protection? Reports today say that rhinovirus – the cause of the common cold – is threatened by the onward march of science. Just think what is at risk. Hankies for a start, and the thousand and one ways we can use them, linen or tissue, to gesture with. The end of the common cold kills a staple of conversation – the only worse deprivation would be continuous good weather. Tony Blair and the communarians must react. Glaring at sneezers is, albeit negatively, a way of affirming common membership of society. We strongly suspect that curing the cold is a foreign, individualist plot.

LETTERS TO THE EDITOR

New victims of the new warfare

Sir: The global trend towards civil wars (report, 14 June) presents particular problems for agencies such as ours, which attempt to provide emergency relief for the victims.

As wars become internal rather than international, the human cost shifts from soldiers to civilians. Victory depends on control of the populace as much as on defeat of an opposing army. In this kind of war, entire social groups are targeted for intimidation, evacuation or extermination. Bosnia, Rwanda and Sierra Leone are hideous examples.

The civilian victims cannot claim protection from their own divided nation or from the international community which is not mandated to assist in a country's internal affairs. As members of persecuted groups, their ability to rebuild their lives after the war has ended is reduced.

Our experience in emergency medical programmes around the world has shown that civil war has a devastating effect on individuals' ability to resist disease both physically and psychologically. Families are broken up and children abandoned. Infant mortality rates soar, epidemics breed among overcrowded, underfed, displaced people. This is in addition to direct injuries from landmines, shelling, indiscriminate fire and the rest.

The number of people displaced within their own country now far exceeds the number of refugees who have fled to other countries. In 1995 there were 15 million refugees worldwide, but 21 million internally displaced people (IDPs). Experts expect the number of refugees to fall, while the number of IDPs could double by the year 2000.

JONATHAN LORIE
Medical Emergency Relief
International
London W2

Sir: Christopher Bellamy (report 14 June) claims that "none of last year's wars was between nations". What is the Chechen struggle against Russia if not a war between nations? Or the Tamil struggle against the Sinhalese-dominated state of Sri Lanka, or East Timor's against Indonesia, Kurds against Turks?

The mistake of confusing states with nations lies at the root of these conflicts. It has been precisely the failure to recognise the plight of smaller nations trapped within artificial state boundaries imposed against their will that has prolonged many of these wars and contributed to the global refugee crisis.

If the international community regards these properly as national conflicts instead of civil wars or internal problems, more realistic and just solutions – based on the moral right of national self-determination – might be achieved.

SW RAJA
London N19

Branson and the air oligopoly

Sir: I read with some astonishment Richard Branson's article (12 June) criticising the proposed code-sharing alliance between BA and American Airlines. He forgot to mention that his own airline, Virgin, has a code-sharing alliance with Delta, an airline not dissimilar



The IRA must be as mad as hatters!

in size to American. When announcing the alliance in 1994, he claimed it was a great breakthrough for consumers.

It is difficult to see why the American-BA alliance is "unholy" while the Delta-Virgin alliance is the best thing for consumers since ballooning. Surely both are manifestations of an inevitable trend towards concentration and oligopoly within the international airline industry once you introduce free competition.

It is surprising to find that a vigorous proponent of a free market in air transport should now be asking the regulators to control competition between the emerging airline oligopolies. Or is he just crying foul because someone has put together a bigger alliance than his own?

Professor RIGAS DOGANIS,
College of Aeronautics
Cranfield University
Bedfordshire

Fixing blame for medical mishaps

Sir: It is difficult to understand why Polly Toynbee's sympathy lies with the NHS rather than with the victims of medical accidents ("Litigation is the wrong medicine", 12 June).

In her crusade to save the NHS from "ambulance-chasing legal leeches" she seems to have lost sight of where the wrong actually lies. The victims about whom she writes have all suffered severe distress as a result of the failure of the health service to provide an acceptable standard of care.

The vast majority of the 20,000 victims who have sought help from

us have not done so because they were seeking someone to blame but simply to get relief from their distress. If, however, they have suffered mental and physical distress and economic loss through the fault of someone, should they refrain from seeking compensation solely because the fault lies with the NHS, which is short of funds or because if there had been no advance in medicine they would not have been entitled to that care anyway?

Nobody, least of all this organisation, wishes the NHS to be deprived of much-needed resources, but Polly Toynbee and others who disparage attempts by this one sector of injured people to obtain their justified redress should remember that, notwithstanding the problems of the NHS, it is the victim of a medical accident who deserves our sympathy and support.

ARNOLD SIMANOWITZ
Chief Executive
Action for Victims of
Medical Accidents
London SE23

Sir: Since all of the professions are currently seeking ways to avoid the impact of mounting damages awards arising from professional negligence, it is hardly surprising that the accountants should be gaining support for their campaign to reform the law on joint and several liability ("We can't all be held to blame", 5 June).

However, such a reform of the law should be resisted until a formula can be found to ensure that the victims of professional negligence do not, as a result,

suffer reduced levels of compensation. This means that other parties – including company directors and officials – considered partly responsible for such negligence, should also be required to have sufficient indemnity insurance to meet their fair share in any awards made against them.

Moreover, all of the professions should be required to take a number of steps to improve standards. In particular, self-regulation should be replaced with fully independent regulatory and disciplinary procedures, perhaps comparable to those adopted by the medical profession. Rather surprisingly, a number of professions still do not regard negligence by their members as a disciplinary matter.

NIGEL WILKINS
London SW7

Police state in Palestine

Sir: The latest detention and reported beating of Dr Iyad al-Sarraj following his criticism of the Palestine National Authority (report, 15 June) is a disturbing development. It is ironic that Dr Sarraj should be the victim of arbitrary arrest and torture after he worked so hard for human rights under the Israeli occupation.

The treatment of Dr Sarraj is yet further evidence of the deteriorating human-rights situation in the PNA-ruled area. In recent months Amnesty

International has received reports of detainees being beaten during interrogation in Gaza, Jericho and Nablus prisons. There has also been the abduction of the human rights activist Bassam Eid, the arrest of the journalist Maher Alami and the police attack on students at An Najah University in Nablus. Many other incidents go largely unreported.

In the past, our organisation has worked closely with the PLO in demanding human rights and justice for the Palestinians. Therefore, it is particularly sad to witness events in Palestine. When the Israeli army redeployed out of Palestinian cities, it was replaced by no less than nine security agencies. The promise of a "strong police" in the Oslo accords has taken the form of a police state. The West as a sponsor of the Oslo process should neither ignore nor condone the PNA's increasing authoritarianism.

RJ DEED
Executive Committee
Palestine Solidarity Campaign
London WC1

More is worse for Birt's BBC

Sir: Mathew Horsman's review of the latest events at the BBC (11 June) seems to me to contain dangerous errors.

Horsman – and John Birt – regard it as axiomatic that the BBC must change in radical ways

to respond to digital broadcasting. Save in one key respect, this is just not true. Experience to date suggests the sole achievements of technological innovation in broadcasting (notably delivery by satellite and cable) have been to make more bad programmes available to more people, and to force some people to pay for programmes they have traditionally had "free".

The right way for the BBC to justify the continuation of the licence fee is to go on making (relatively) few excellent (but separate) programmes on radio and TV. Only by doing this will the BBC distinguish itself from, and "compete aggressively with", the quite different aims of the satellite and cable operators. With a smaller budget than they can enjoy, more will inevitably mean worse. Let commercial operators go down that self-destructive route – not the BBC.

The exception is that the BBC must, of course, exploit the potential of digital broadcasting to make its programmes (on both media) even better technically and creatively than they already are.

However astutely John Birt may have analysed the broadcasting scene, it is hard to believe in his commitment to the BBC when, if the reports are true, he showed breathtaking contempt by failing to inform – still less to consult – all but the tiniest group of senior colleagues about the proposed changes, abruptly telling the rest shortly before a public announcement.

DAVID ROBERTSON
Dymock,
Gloucestershire

Early warning against BSE

Sir: As long ago as February 1989, on the *Nine O'Clock News*, I warned the public about "the possibility of a link between BSE and CJD" (report, June 14), because I was aware that experiments on the original disease in sheep, scrapie, had revealed that primates, our closest animal relatives, developed CJD – not after intra-cerebral injections but when offered scrapie-infected brain to eat, mixed with other foods, as part of their ordinary daily diet.

The incubation period following intra-cerebral inoculation (the method used in the recent experiment) is much shorter than that following oral administration – work which is doubtless already under way and which will presumably also be positive.

Our cattle were finally protected from catching scrapie by the July 1988 ban on infective feed (UK citizens were not similarly protected until November 1989 to January 1990, and then not completely). When I discovered, in 1989, that we were continuing to export the infected feed to other countries ("It's all right, madam, it goes with a government health warning" – MAFF press office), I warned the French and German ministries of agriculture about the risks. The French ignored me and are therefore not now in a position to complain. The Germans did their homework, of course, and banned our beef in October 1989, causing John Gummer to offer Cordelia a beefburger with the immortal words: "What's good enough for my daughter is good enough for the Germans" and in laying out a new network of pedestrianised streets and public spaces we have provided two major fountains.

Tom Lomax's *Spirit of Enterprise* in Centenary Square and Dhruva Mistry's *The River* at the heart of the remodelled Victoria Square both have exactly the effects he champions. They have just won the first Fountain of the Year award from the Fountain Society. While I support Mr Glancey's call for more fountains, I would welcome the opportunity of showing him that, as in so many other fields since those original "sublime" waterworks were provided, Birmingham is leading the country.

STEWART STACEY
Chair, Planning Committee
Birmingham City Council

On yer grid!

Sir: Miles Kingston bewails the lack of a slang word for "bicycle" ("On yer jigger, Fat Owl of the Remover!", 14 June). In the Derby of my youth, some 40 years ago, we used "grid". It made perfect sense at the time.

PHIL PAYNE
E-mail: Phil@stivers.com

analysis

Will Hillary Clinton be swallowed up by the Whitewater rapids?

Rupert Cornwell in Washington offers a guide to the bear essentials of the Little Rock scandal

August '78

2 August: The Clintons and James and Susan McDougal purchase 203 acres in the Ozark mountains in northern Arkansas to build holiday homes; the property venture known as Whitewater. Bill Clinton is the state's impeccable attorney general, shortly to be elected Governor; his wife a lawyer with the Rose law firm in Little Rock. Mr McDougal is a small-time financier and speculator who in 1982 will set up the Madison Guaranty savings and loan bank (similar to a British building society).

July '93

20 July: Vince Foster, deputy White House counsel and longstanding personal friend of the Clintons, commits suicide. Conspiracy theorists have a field day: Was Foster murdered? Was his body moved from a "safe house" owned by Hillary Clinton to the park overlooking the Potomac river where it was found? Was the CIA, even Mossad, involved? In fact, the impact upon Whitewater lies in the personal files Foster kept in his office, relating to the original land deal, the Clintons' tax records and "Travelgate". White House aides move heaven and earth to keep the files away from investigators. Foster's death, moreover, lends Whitewater a tragic human dimension which keeps the affair alive.

January '94

20 January: As ever more revelations emerge about Madison and Whitewater, Robert Fiske is named the first Whitewater special counsel. After interviewing the Clintons under oath, he concludes that Foster did indeed commit suicide; and clears the White House of seeking to interfere with the criminal investigation of Madison.

October '86

October: A report by federal banking authorities finds Madison all but insolvent, but the bank survives somehow (fies would say thanks to Governor Bill and lawyer Hillary, whose firm is handling Madison business). Another prop is a \$300,000 loan earlier that year secured by Susan McDougal and fraudulently channelled into Madison and thence in part to Whitewater. In 1989 the immense Reagan-era speculative bubble in savings and loan banks bursts. Madison collapses, costing the US taxpayer \$65m.

March '92

8 March: Clinton is by now running for President and the first Whitewater article appears in the *New York Times*, detailing his land investment partnership with the owner of a failed S&L. Reeling under the Jennifer Flowers and draft-dodging allegations, the Clinton campaign none the less manages to contain the damage – in part because the press fails to follow up a story it judges too complicated.

January '93

20 January: Bill Clinton becomes the 42nd US president, a month after disposing of his loss-making Whitewater interest by selling it back to Jim McDougal. But the US treasury has sent the justice department a report on Madison naming the Clintons as "potential beneficiaries" of illegal activities at the bank. The Administration's efforts to keep tabs on the problem will lead to a first round of Whitewater hearings.

May '93

19 May: "Travelgate" erupts with the abrupt firing of the entire White House travel office – more than probably at the instigation of Hillary Clinton – and the White House's enlistment of the FBI to suggest criminal activities by its staff. The enterprise proves a PR catastrophe for the Administration. After travel office director Billy Dale is acquitted on all charges in late 1995, the Republicans who by now run Congress hold embarrassing hearings.

August '94

5 August: The Clintons' fortunes take a turn for the worse with the replacement of Mr Fiske by Kenneth Starr, a tough-minded Republican. Three months later, as Mr Starr intensifies his investigations in Little Rock and Washington, the Republicans capture Congress. In early 1995 the Senate Banking Committee under Alfonse D'Amato begins new, highly partisan, hearings into Whitewater. But despite the White House "rediscovery" of key Rose billing records and a grand jury appearance by Ms Clinton, public interest flags. By spring 1996, the Clintons seem to have survived the worst.

May '96

May: At last a Starr success – and a big one. After a nine-month trial during which the President gives videotaped testimony, the McDougals and Jim Guy Tucker, Bill Clinton's successor as Governor, are convicted of fraud. It is now official: the Clintons' one-time business partners are crooks. Evidence also shows that part of the \$300,000 loan did find its way into the Whitewater real estate venture. The old Watergate question resurfaces: What did the Clintons, especially Hillary Clinton, know – and when?

June '96

7 June: Under pressure from the Congressional committee probing "Travelgate", the White House releases requested, and received, 430 confidential personal background files from the FBI in late 1993, including some on leading Republicans such as James Baker. Shades of the Nixon "enemies list" are invoked and separate hearings into the fiasco are scheduled this week. Meanwhile, the Republican-controlled Senate Whitewater committee issues its report, accusing Mrs Clinton and her aides of obstructing justice over the documents in Mr Foster's office.

The future

Where next? The supercharged pre-election Clinton guarantee Whitewater remains an issue, and the ultimate impact depends on Mr Starr. The focus of his probe is the web of dealings around Madison. The real bombshell will be a verdict on Ms Clinton for perjury. Mr Starr may now be able to strike plea bargains with other potential defendants to secure testimony implicating the Clintons. Powerless to intervene, the White House watches, waits and prays.

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Stand fast against the black tie tendency

Having been at my first ever Guildhall dinner only a couple of weeks ago, I was distraught when I found last week that the City of London was selling the pass on white ties. One of the many pleasures of that evening for me was the chaps' clobber. I paid little attention to the women, but savoured every detail of pike-men and knee britches and funny cloaks and what Americans call panti-hose and seeing my friend Niall – whom I've never seen wear anything other than businessman's suiting – grappling with how to keep his CBE from messing up his white tie or falling into his soup. Quite apart from anything else, it's a welcome novelty to have men being required to put serious effort into their appearance. Bob Geldof, who on the other occasions I've seen him in person appeared to be dressed from the reject box of an inner-city jumble sale, was on this occasion washed, brushed-up and almost shaved. He resembled not only a dandy, but a happy dandy.

But now mad radicalism has struck the City and, in a welter of excuses about efficiency, they announced the acceptability of black ties just in time to let Kenneth Clarke of all people off the hook at the Mansion House. I fear this signals that the British Establishment hopes it might be possible to buy off with feeble concessions the puritan Labour tendency. I wish to make it clear to Tony Blair that he has absolutely no chance of getting my vote unless he commits new Labour to preserving our flummery intact. I expect it's only a matter of time. I'm delighted that the daily postcard from the Institute of Contemporary Arts, giving you an insight into the thinking of the avant-garde, is so apposite. Called "Untitled, 1981", it shows seven chaps kitted out festively in morning dress: six are laughingly pushing around the one in the middle. The legend reads "YOU CONSTRUCT RITUALS WHICH ALLOW YOU TO TOUCH THE SKIN OF OTHER MEN."



Ruth Dudley Edwards

Elves are bursting with topical verse. Andrew Boyd offers:

*Too bad about Marmaduke Hussey
And his birthday honours award
He was riding high as the BBC's duke
But now he'll be merely a lord.*

And William Hazell:
*Yasuo Hamanaka ("Mr Copper")
came a copper.
The reason?
Trying to go one better
than Nick Leeson.*

From the Department of Swings and Roundabouts: On

Saturday I read that boys from Christ Church Cathedral School are upset because the evangelical Reverend David Marshall, the chaplain of Exeter College, is seeking to replace them in the college choir with female undergraduates. On Sunday, at a Bloomsday lunch, there was a reading from James Joyce's *The Dead* which included the following: "I know all about the honour of God, Mary Jane, but I think it's not at all honourable for the pope to turn the women out of the choirs that have slaved there all their lives and put little whippersnappers of boys over their heads. I suppose it is for the good of the Church, if the pope does it. But it's not just, Mary Jane, and it's not right."

Department of Constructive Criticism! I am used to being told that my hair is in disarray, but what finally forced me to have it cut was my friend Mairin's comment that I was beginning to look like Benjamin Franklin in a high wind. For those of you who missed

yesterday's column, you have until Wednesday night to fax me at 0161-952 4629 a linerick beginning "The chief delectation of summer". There will be a bottle of pink champagne for the winner.

Waiting my turn in a make-up studio on Sunday (yes, I know that sounds grand, but it was a just prelude to pronouncing on something late at night for about three minutes), I was riffling through the *News of the World* when I learned that a well known "TV chef" was "enjoying secret sizzling nights of passion with a sausage-maker's daughter." I read this to the veteran PA correspondent, Chris Moncrieff, then undergoing powdering. He responded: "She was only a sausage-maker's daughter, but she..." I would be delighted to receive, any endings that occur to you, though I expect they will be unsuitable for inclusion in this – or indeed any – respectable column.

Miles Kingston returns from holiday next week.

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Major banks on his own unpopularity

However badly the beef talks go, fear of an election will soften the Eurosceptics' criticism

Tony Blair's speech today to the German equivalent of the CBI is important for reasons of both high and low politics.

First the high politics. This is to do with the promise that Blair will make today that a Labour Britain would make a "new start" in Europe. The question is whether Mr Blair can genuinely sustain a new axis between Bonn, Paris and London.

A fortnight ago, Robin Cook hinted at different priorities. He said that a Labour government might in fact emerge as a natural leader of a group of governments run by its "sister" social democratic parties who were actually quite worried about the power of the Franco-German alliance.

To Blair it is almost irrelevant that Germany and France happen to be run by centre-right governments.

There will be a lot in his speech today about how Labour, though pro-European, doesn't agree with everything said in Bonn and Brussels. But his message will be that Britain, as one of the three largest countries of the EU, belongs with France and Germany as the natural leaders of Europe.

That isn't to make the historic British mistake of underestimating the strength of Franco-German interde-

pendence; it is rather to argue that the Government's sullen Euro-scepticism has created a vacuum where British influence should be.

The low politics is all about beef. Mr Blair is playing a clever game but it has so far mystified the Germans. His words today will be closely scrutinised in the light of his refusal - disappointing to many in Bonn - to condemn outright John Major's non-co-operation policy. Critics of Mr Blair, and on this issue they include his avuncular fan Lord Jenkins, believe he squandered a chance to dramatise the difference between the two main parties in Europe by attacking the Prime Minister's policy outright. For evidence they cite the opinion polls showing that non-co-operation has not improved Tory popularity.

The Labour hard cases who plan day-to-day strategy are utterly scornful of their critics. If the party had fallen into that trap, they say, the Government would have turned its hugely vulnerable strategy on beef into a first-class opportunity to bash Labour as a party incapable of standing up for Britain.

By holding its fire, the Labour leadership thinks that it has kept its options open: if John Major returns from the momentous Florence summit this Saturday with a deal which the



DONALD MACINTYRE

Labour could shrink from undermining a European deal

sceptics immediately attack as a sell-out, Blair can ask, as a good European, why John Major used up what political capital he had left in Europe to come away with nothing he could not have had in the first place. Sooner or later the Government could be facing a Commons division in which the Eurosceptics threaten to vote with Labour all over again.

All this may not be great statesmanship; but it is certainly worrying a few ministers. And they will be even more alarmed when they hear Blair say ominously today in Germany that

it will seem odd if Major returns from Florence with a deal which doesn't contain any dates for when the ban will be lifted or details of EU compensation for British farmers.

When Malcolm Rifkind first thought up the idea of non-co-operation, it looked to several senior ministers with Eurosceptic leanings as the ideal each-way bet. If Major failed to score a stunning victory, there was the enticing prospect of a protracted war and a beef election. That view has changed. The main players now want out at almost any price that falls short of humiliation. And for all the perils of the next few days, and an acknowledgment that the negotiations will probably get worse before they get better, officials are crossing their fingers and professing cautious optimism that a deal will be struck.

The problem then will be selling it. And here Labour may have a crucial role, if only in forcing John Major to have the kind of showdown with the Eurosceptics he has mostly avoided since the one over the Maastricht bill in 1994.

The Eurosceptics are always game for battle. Kenneth Clarke was right to warn John Major that promising a referendum on a single currency would only whet the hardline sceptics'

appetite for more. They have used the beef crisis as the excuse to contemplate withdrawal. Their demands for a referendum on Maastricht and pressure to roll back the encroachment of European law all testify to their tenacity.

There are plenty of opportunities for the Eurosceptics to make trouble. It has not been lost on them that each cattle-culling step laid down in the deal will need secondary legislation in Parliament. But to endanger the Government, they will need Labour's support, which in the end may not be forthcoming. Labour could yet shrink from undermining a deal to which Chancellor Kohl, Jacques Chirac and the others have agreed.

But if Labour does push the Government to the brink, the Prime Minister has a bold card to play. He can challenge the Eurosceptics with a harsh political reality: do they really want an election when their party is running 25 points behind in the polls? By publicly confronting them with that question Mr Major may not eliminate the long-term damage of the beef crisis. But he calls their bluff. It is a paradox, and testament to the strangeness of the times, that the Government's unprecedented unpopularity may be Major's strongest card in the decisive battle ahead.

the commentators

The critics have a long while yet to wait for Beckett

What did the high priest of nihilism mean in his work? Exactly what he said, says John Walsh

Has Samuel Beckett been rumbling at last? Next week's issue of the *New Yorker* carries clear proof, it seems, that the last great modernist of 20th century literature had no idea what his own writing was about. In two unpublished letters - to a Parisian radio producer in 1952, to a Canadian dramatist in 1956, both of whom had requested "explanations" of his work - he frankly admits, "I do not even know if he exists". Furthermore, he confesses that he has not "the ghost of an opinion" what his famous 1952 play *Waiting for Godot* might mean and says, in an egregious burst of irony, "I do not know in what spirit I wrote it".

This is pathetic behaviour for a modern writer. It's as if Bob Dylan were to confess to a friend he has "no idea" how many roads a man must walk down, or Salvador Dali explain that he had "not an earthly" why there is a giraffe on fire in one of his pictures. But then Beckett was never a helpful writer. When he disabblingly died in December 1989, he left no key to his major works, no character analyses or career CVs of Godot, Krapp, Hamm, Winnie or any other characters. Stubbornly refusing to publish any autobiographical or explanatory volumes, he never filled us in on the background details - the teenage years, the marital traumas - of the Mouth that babbles incomprehensible confessions in *Not I*...

Enough, however, with the heavy sarcasm. It is perfectly right that Beckett, the 20th century's most hermetic and most brilliant writer, should be appalled by demands that his work (or himself) should "mean" or be "about" something. The high priest of nihilism, he was trying to deal in failure, impossibility, non-being, chaos, unness, negativity, subjects that do not lend themselves to strident, declarative statements. He wanted to embody failure - ideally, he told a friend, his plays should perform to empty theatres.

The theatre was a kind of light relief after the intensely focused prose excursions into the nature of the self that culminated in the Trilogy (*Molloy*, *Malone Dies*, *The Unnamable*). His plays were a series of tableaux, intended as simple, literal-minded dramatic statements: a chattering woman gradually enveloped in sand; a *ménage à trois* imprisoned for eternity in three urns; a man

reviewing his life by listening to tape recordings of his younger self. But they were, he thought, self-explanatory. There is nothing that Godot's "mean" beyond the initial dome of two tramps talking beside a tree while waiting for a mysterious man to come and "save" them: but who never does.

Beckett wrote: "I know no more about this play than anyone who manages to read it attentively". Some insights, however, might be suggested. During the war, Beckett and his wife, Suzanne Deschevaux-Dumesnil, were active in the French Resistance. When the Nazis discovered their "cell" in Paris, the Becketts were forced to flee, and spent several months wandering the French countryside, hiding, waking early and keeping their spirits up with cross-talk, like vaudeville comedians. The play, couched between an anaphora

The play's importance lies in the fruitless business of waiting

and a Marx Brothers routine, may derive from this desperate atmosphere. "Do try," wrote Beckett to Desmond Smith, "and see the thing primarily in its simplicity, the waiting, the not knowing why, or where, or when or for what". *Waiting for Godot's* importance lies less in the words used than in the business of waiting - the optimistic, impatient, fruitless condition that suggests one is not whole and must fill up empty moments with time with pointless chat, before becoming so. The religious-minded might call it purgatory.

The final question of Godot's identity has never been resolved. Beckett never supplied an answer (had he done, it would have been "It doesn't matter"), so the critical world felt back on ingenuity: Godot is God-eau, ie water (the first principle); he is the figure of Death; he is the chimerical Marxist super-state... Then someone discovered that a French racing cyclist called Godot had taken part in the Tour de France that went through Dublin on 16 June 1904. And since that's the date of Joyce's *Ulysses* takes place, the critics started jumping about all over again...

Everyone wants to be a 'tit'

Why do all the 'new toffs' seek places at Eton for their sons, asks Rebecca Fowler

For the once dissatisfied young man who sang one of the greatest anthems to disaffected youth, Eton seems an unlikely choice of school for his 11-year-old son. But Mick Jagger appears determined that Master James should concentrate his own voice on the Boating Song as part of the new hierarchy of British Toffery, where pop stars are the modern equivalent of dukes, and everyone still wants to be a tit.

The money may have changed hands, as dusty aristocrats fight to keep up their crumbling country seats while pop stars, lawyers, accountants and dentists buy them up. But a tit in the family - Etonpeak for a new boy - remains the surest sign of all of being part of the social elite of the day, the new hybrid of pop heirs, aspiring multi-millionaires and financially embarrassed vicounts.

At Eton, like nowhere else in the world, tits can still rub shoulders with royal tits, rich tits, clever tits and the tits of the future who will be leaders in their various fields. It is a start in life without comparison, and according to former pupils only the most sanctimonious or stupid could emerge without an inflated sense of their own superiority. At £12,500 a year, it is still a mere snip for most toffs, old and new.

So last week Mr Jagger, a Dartford grammar school boy and son of a PE instructor, and Mrs Jagger, the Texan model Jerry Hall, joined a select group of parents to be taken on a tour of the Berkshire school, with a view to James taking one of 200 places. Here he would don the famous frock coat, leave the bottom button of his waistcoat undone, sit at a desk where Shelley, George Orwell, Ian Fleming and 18 prime ministers once sat, and learn to walk to the left of the statue of Henry VI, the founder, ready to draw a sword in his protection.

The Jagers are understood to favour Manor House, where Prince William is reaching the end of his first year at Eton. Although the two boys do not obviously have much in common, a few clues to James's privileged life suggest that Jagger Junior is as

suited to Eton as the heir to the throne. He has grown up in a mansion in Richmond, Surrey; he has travelled all over the world with his parents; and his education has included private tutoring in Mustique. It is also a tribute to the place his father holds in current toffery that pupils who have grown up among the most important and wealthiest families in the land were clamouring for his autograph.

Mr Jagger is not alone in seeking to educate his son among the elite of the day, although pop stars appear to be divided down the line on where they send their children to school.

David Bowie sent his son Zowie to Gordonstoun, where the Prince of Wales had such a famously miserable time. Paul McCartney sent all his children to local state schools in East Sussex, although they received private tuition when they travelled abroad with their parents.

But what must James do to secure his place? Eton, founded in 1440, remains the largest public school in the land, and most parents scramble to add their sons to the waiting list even before the umbilical cord has been cut. Eleven years later the boys must then sit a common entrance exam, and perform to an increasingly high level, where questions range from asking in French if your bedroom is on the first floor to calculating the downward force of an engine in Newtons.

Since the current generation of hopefuls was spawned during the Thatcher years, a time of particularly acute aspiration and social climbing, competition is likely to be especially fierce. Among Prince William's class of 13-year-olds are the sons of lawyers, merchant bankers, civil servants, a landscape gardener, a dentist and a news presenter. While a number had fathers and grandfathers at Eton, many are first-generation.

Their attitudes to the school vary. "My father thinks it's the best school, but you are made to look down on other people," said William Bland, who wants to be a poet or a criminal barrister. "My sisters say I'll become snobbish and arrogant, but I don't have to become a snob," said Tom Ehrman,



Toffs old and new: James Jagger, son of Mick and Jerry, may join the Eton elite



Hulton Getty, Rex Features

who wants to be a soldier. "Some people say it's stuffy, but dad says it'll look right on my CV," said Nigel De Grey, who is third-generation Eton.

How right Mr De Grey is. For this generation, when their time comes, they will still be part of the "best club in the world". The make-up of the Establishment may have changed, with music studios and dental surgeries now part of the backdrop. But the benefits will be the same, as they bump into each other through the rest of their lives, bonded by the old school ties, just as they have for five centuries.

Eton has, of course, produced some notable rascals who have ended up in prison, including Darius Guppy, incar-

cerated for a jewellery fraud; Lord Brockwell, imprisoned for a classic cars insurance fraud; and the Marquess of Bristol, who also ended up in a cell for drug offences. But for the most part their old school pals stuck by them.

By the time Eric Anderson retired as headmaster he was anxious to stress that Eton was not filled with the rich, thick offspring of dim dukes. "That idea disappeared more than a quarter of a century ago," he said. "A fifth of the boys are on bursaries or scholarships and their parents could not possibly be described as toffs... We've had one foreign prince, the Prince of Nepal, but to show how little we think about that, I can't tell you how many

there are. But I should add that two of the very best boys in my time have been the sons of dukes."

There is little doubt that Master James will be at home, although even by Eton standards his father may attract more interest than most among the other boys. The old Establishment mixes surprisingly well with the new. Jerry Hall has weekended with the Marquess of Worcester in Badminton quite happily. But the idea of James singing of "the best of schools" in the Boating Song, and cheering "ra for house" along the river, remains as strange an image of the new toffs as can be, only short of John Lydon sending his offspring to Harrow.

Change the rules and save the Queen

MPs must grasp the nettle and debate how to make a constitutional monarchy workable, argues Tony Wright

R reforming Britain's constitution without mentioning the monarchy is like discussing *Coronation Street* without mentioning Vera Duckworth. Rethinking the Queen's role is not the most important part of a reform programme, but neither is it irrelevant.

Perhaps it is because I have just come back from a few days in Sweden, where constitutional monarchy flourishes in perhaps the most open and democratic country in the world, that I have a renewed sense that the matter of the monarchy in Britain cannot be allowed simply to drift in its own anguished and muddled way.

For this reason, proposals from the Liberal Democrats to remove royal prerogative powers to dissolve Parliament and to appoint prime ministers are to be welcomed. If we continue to treat the monarchy as a no-go area of constitutional debate, we are simply storing up trouble for the future.

Yet politicians resolutely fear to tread anywhere near it. Only crisis prompts belated and inadequate responses. This was the case with the issue of the Queen's taxes. Then there was the response to the separation of Charles and Diana, when the Prime Minister solemnly and absurdly told the House of Commons that this



A royal family that speaks and behaves as if it came from another planet will perish in a democracy

would make no difference to their future roles as King and Queen. If we proceed in this way, there is a good chance that the monarchy will collapse by default, undermined from within by the antics of some of its wayward members and unable to be rescued from without by politicians who are afraid to do what has to be done.

Republicans will welcome this. And in a democracy the republican option should always be a serious and standing one. There should be nothing scandalous in discussing the relative merits of republics and monarchies. Nor is there any great problem in devising a satisfactory method for finding a constitutional head of state.

The House of Commons is at its rare best when it chooses a Speaker and would be quite able to find a Mary Robinson by the same means.

be radical in thinking about how it should continue. A democratic monarchy is a contradiction in terms; this suggests the need to give serious thought to how the contradiction may be made to work.

Bagshot famously set us off in the wrong direction with his remark that "when there is a select committee on the Queen, the charm of royalty will be gone. Its mystery is its life. We must not let it daylight upon magic."

Now the daylight is well and truly in, courtesy of rival royals and titillating tabloids, and magic there is not.

Constitutionally, the country needs an effective and respected head of state. This is a matter of national and public interest that needs to be engaged from the transient travails of the Royal Family. Either the monarchy can be remodelled to perform this role, in new ways and on new terms, or the role will eventually have to be performed by somebody else. Inertia is no longer an option.

A royal family that speaks and behaves as if it came from another planet, or surrounds itself with upper-class flummery, will eventually perish in a democratic culture that has thrown off the old deferences. The perennial demand for a more "Scandinavian" monarchy reflects this. If the Queen's royal grip on her handbag could be broken, that would at least be a start.

But cultural change has to be matched by political and constitutional change. The rules governing male and female inheritance are indefensible, as are the rules against Catholic succession. Both need changing, not in the heat of a future constitutional crisis but in the measured tranquillity of a general process of democratic reform. Equally, it is bizarre for a head of state to be the head of one official church in a way that excludes the majority of her citizens. In this (as in the matter of the royal prerogative, the cover for executive tyranny) it is up to parliament to do what has to be done.

It is also time to constitutionalise the "reserve powers" of the monarchy. These powers matter and might come to matter more in a radically reformed political system. Questions about the granting of a dissolution of parliament or the selection of a prime minister

are not marginal or irrelevant issues. Either these reserve powers could be removed from the monarch altogether and given to a new institution, or they could be retained by the monarch but made transparent. Then the monarchy would no longer be contaminated by the politics of the constitution. Bagshot was again famously misleading when he described Britain's constitutional monarchy as a "disguised republic". The truth is that it now really does need to become a disguised republic if it is to survive.

A constitutional head of state does not require an extended official family either, unless they can all find a self-financing role in the market for assorted celebs. We should also celebrate the millennium with a competition for a new national anthem to replace the present doleful dirge, which could then continue as a royal anthem.

A republic will arrive only if the modernisation of the monarchy is not carried through. Republicans and royalists will combine to oppose this. But one of the many ironies of new Labour may be that it will renew the monarchy too.

The author is Labour MP for Cannock and Burnwood and chairman of the All-Party Constitutional and Parliamentary Affairs Group.

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obituaries / gazette

The Rev David Nicholls

David Nicholls was a historian, theologian and political scientist whose work on the boundaries of these disciplines made some important connections and sharpened his perception of "what's going on" in church and state during the Thatcher and post-Thatcher years.

There was a strong streak of anarchism in Nicholls's thinking. His particular (now uncommon) skill was in commenting on the political scene from a theological perspective and on church matters from a realistic assessment of its changing social context.

He was equipped to develop the Anglo-Catholic tradition of social theology by his background and research. The historical depth is evident in his first book, *Church and State in Britain since 1820* (1967), and the analytic clarity in *Three Varieties of Pluralism* (1974) and especially *The Pluralist State* (1975). He was a Christian socialist, realistic about the dangers of state power and wanting to see it dispersed through a kind of associational socialism. Though a member of the Labour Party he had little time for either old or new Labour and its economic policies or bureaucratic manifestations.

Partly because his theological work was on interfaces underrepresented in university syllabuses Nicholls did not occupy any prestigious chair, but after his five-year appointment

as Fellow and Chaplain at Exeter College, Oxford, ended in 1978, he became priest-in-charge and then vicar of Littlemore, a large working-class parish on the edge of Oxford, where he was always sustained by his wife Gillian. This provided a human base and centre of hospitality for a great variety of visitors, especially from overseas, and allowed him to combine the demands and fun of the parish with a steady flow of writing.

A more confident (or wealthy) church might have moved him to a more visible post, but the parish ministry was perhaps the place to be. It roots observation and theological reflection in the prayer and activity of a local community seeking to embody the signs and promise of the kingdom.

After attending Woking Grammar School, Nicholls gained a First in Economics at the London School of Economics and completed a PhD on J.N. Figgis (the Edwardian political theorist and theologian) at King's College, Cambridge, which laid the foundations of his social thought. He followed this with a Master of Theology at Yale and ordination training at Chichester under Cheslyn Jones (who remained a close friend and mentor) and by a curacy at Bloomsbury with the London University chaplaincy under Gordon Phillips.

The difference between Nicholls and these two highly intelligent guides in his ministerial formation is that he produced the books as well as getting productively involved in several groups and organisations, notably the *Centuries of the Institute of Race Relations* in the 1960s and *Oxford in the 1970s*.

With Valerie Pitt and Ken Leech he came into the Christendom Group, which ran from the 1920s to the 1960s, with its summer school of sociology, and as a friend of V.A. Demant and Maurice Reckitt took part in the formation of the Christendom Trust, succeeding Martin Jarrett-Kerr CR as chairman.

He helped found the Jubilee Group, an Anglo-Catholic think-tank, and wrote pamphlets for it that are witty and penetrating. He knew how to unmask nonsense when he saw it, but without malice. One recurring theme is that it is impossible for theologians first to get their theology right and only then draw social or ethical "implications" from it. Our theology is already soaked in where we stand, whether we recognise it or not. And those who think they are apolitical are usually sustaining the status quo. There is no escaping politics.

Nicholls's theological criticism was directed as much to his own Tractarian tradition as to the kinds of liberalism that



Two colourful churchmen: Nicholls with Archbishop Pyle

turn wine into water. Ironically, for a vicar of Littlemore, he edited with Fergus Kerr OP in 1991 a collection of critical essays on Cardinal Newman, to counter the hubbub of the centenary and howls for his canonisation. Essays on W.G. Ward—the 19th-century theologian and follower of Newman—and others show his appreciation for his 19th-century heritage, but he was sharply critical of an Anglican incarnation theology that unlike Figgis or Conrad Noel said too little about the Cross and redemption.

Vapid ecclesiastical pronouncements were rapidly dispatched, such as "the immortal words of Archbishops Coggan and Blanch" that the role of the Church is that of "influencing society". His recent criticisms in a Jubilee publication of the new management termi-

nology and methods in the Church (as suggested in last year's *Turbid Report*) were based on a clear vision of what the Church is supposed to be as the sign of the kingdom (his original title, *Turbid Report*, was substituted with *Visions at Regular Intervals*).

Impatience with generalities was, however, matched by a series of efforts to sustain a more serious conversation. So Nicholls initiated and edited a set of 10 small volumes of conservative theology to mark the 1983 celebration of the Oxford Movement, and proved a creative editor, producing some silk purses.

Back in 1966 he had become a University Lecturer in Government at the Trinidad campus of the University of the West Indies, and a frequent visitor to Haiti. The multi-lingual Caribbean became of special research interest to him, resulting in a classic history of *Haiti from Desastre to Disaster* (1973), second edition 1988, third edition 1996) and *Haiti in Caribbean Context: ethnicity, economy and revolt* (1985).

His skill while in Trinidad in bringing together different parties, and midwifing political discussion is well remembered, as is his critical respect for the former President Aristide. The aura of this part of the world remained in his taste for cigars. From 1992 to 1995 Nicholls was president of the Society for Caribbean Studies in the United Kingdom. He also maintained a close contact with St Antony's College, Oxford, and with Professor Kenneth Kirkwood conducted an ongoing seminar on race relations in the 1980s.

The invitation to give the Hulsean lectures in Cambridge in 1985 led to two major books on the relationship of theological and political imagery. *Deity and Domination* appeared in 1989 (second edition 1994), dealing with the 19th and 20th centuries, and *God and Government in an Age of Reason* in 1995. The third volume, on the 17th century, was still being written up when he died. These will become an invaluable resource as the connections between religion and politics world-wide are finally more appreciated by Western academics.

Nicholls's books reveal the archetypal academic cleric but say too little about the man, his combination of devotion and critical intellect, his personal modesty and charm, coupled with relentless questioning and wise judgement. The college chaplain's ability to relate to all sorts was carried into the parish with a quiet passion that always said directly and even bluntly what had to be said. Personal animosities were as intolerable to him as political conflicts were inescapable. Reconciliation, which must include justice, was as essential in the one area as lack of fudge remained in the

other. His clarity of mind could be uncomfortable to his own Anglo-Catholic party, none of whose bickerings and unprincipled behaviour escaped his observation and occasional pained comment.

A passion for motorcycles is hard to fit into the picture. He was also the owner of Archdeacon Paley, a correspondent to the letters pages of newspapers, who was actually a macaw acquired during his time in Trinidad, and who found his way into the Oxford diocesan directory. Paley's unexpected death a few days before Nicholls's own prompted a typically entertaining obituary from him, submitted to the *Independent*, and containing elements of autobiography. "Archdeacon William Paley," it began, "was one of the most colourful churchmen of his day." The obituary was not published.

Robert Morgan

David Gwyn Nicholls, priest and political scientist: born Woking Surrey 3 June 1936; ordained 1962; priest 1963; Curate, St George with St John, Bloomsbury, London University Chaplaincy 1962-66; Lecturer in Government, University of Trinidad in the West Indies 1966-73; Chaplain, lecturer and Fellow, Exeter College, Oxford 1973-78; Priest-in-charge, Littlemore, Oxford 1978-86; Vicar 1986-96; married 1968 Gillian Sligh; died Oxford 13 June 1996.

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Brigitte Helm

She didn't have the glamour of Dietrich or the divine aspects of Garbo, but Brigitte Helm was none the less one of the cinema's immortal icons. She was the virginal Maria and the hypersexual robot Maria in Fritz Lang's monstrous *Metropolis* (1926), one of the great classics of German silent films.

Helm's career began like a cheap novel. In 1924 her mother sent a picture of 18-year-old Brigitte to the director Fritz Lang; he gave her a screen test, and she was the completely unknown actress won the lead female role in what was then the most expensive German film ever made.

Metropolis ruined UFA and made Brigitte Helm an overnight success. UFA gave her a contract, and over the next 10 years she acted in 29 German, French and English films. But just as suddenly as she had emerged, she disappeared again. In 1935 she withdrew from the cinema, and from

then on never appeared on the stage or on television, refused all invitations and didn't give a single interview.

She was born Brigitte Schitelhelm in 1906, in Berlin. She took UFA to court and lost; the trial cost her a fortune, and after that she acted mostly in order to pay off her debts.

In addition to many mediocre and sometimes downright bad films, the director G.W. Pabst gave her some great acting opportunities. In *Die Liebe der Jeanne Ney* ("The Love of Jeanne Ney", 1927), she plays a helpless blind woman who is seduced by a rogue. In *Abwege* ("Crisis", 1928), she portrays a spoiled woman of the world who from sheer boredom almost destroys her own life.

In her films of the early 1930s Brigitte Helm became the embodiment of the down-to-earth, affluent modern woman. With her slim figure and austere pre-Raphaelite profile, she seems unapproachable, a model fashion-conscious woman,

under whose ice-cold outer appearance criminal energies flicker.

Her role as the *Hochstaplerin* ("Deceiver") in *Die schöne Tage von Aranjuez* ("The Beautiful Days of Aranjuez", 1933) was repeated in 1935 by Marlene Dietrich in the film *Destiny*. In the G.W. Pabst film *L'Atlantide* (1932), Helm plays an opaque, static goddess, the mere sight of whom makes men crazy. Her power is not of this world, but incomprehensible, magical.

This was Helm's last really great role, a legendary mysterious sphinx of the German cinema. At the height of her success, she told one critic that her whole film career was a matter of indifference to her and that she would much rather be a housewife: to cook, bring up her children and look after her husband. After bad press reviews and a car accident, for which she was sentenced to a brief jail sentence, she withdrew into her private life. She married the industrialist Hugo Kuenheim and had four sons from this marriage.

In the 1960s film historians began researching into her life. A British journalist got as far as her house in Ascona, but she wouldn't let him in. She received a German journalist at the end of the 1980s only on the condition that the conversation was entirely about fashion and the fashion designer Werner Mahrenholz who had emigrated to England. Her son told a film historian categorically when the latter asked to talk with Brigitte Helm about her films: "If I arrange that, she will disinherit me." She was done with cinema, once and for all.

Werner Sudendorf

Brigitte Eva Gisela Schitelhelm (Brigitte Helm), actress: born Berlin 17 March 1906; married secondly Hugo Kuenheim (four sons); died Ascona, Switzerland 11 June 1996.

CD aid to poor
to emerging



A 'witch' of lust: Helm as the robot Maria in *Metropolis*, 1926

Photograph: Ronald Grant Archive

Kronid Lyubarsky

Kronid Lyubarsky was one of the driving forces behind the human rights movement in Russia for over 25 years.

His life had a remarkable trajectory. He was an astrophysicist working on Soviet unmanned space flights to Mars when he was arrested in a clampdown on the democratic movement in 1972. At his trial he described his pride in reading about the *Mars 2* space probe, even if it was from a prison-issue *Pravda* in his cell. He was sentenced to five years' imprisonment, for "agitational propaganda", and when he got out was exiled — on no legal grounds whatsoever — to the tiny

town of Tarusa in the Moscow region, where the authorities surveilled and harassed him daily and urged him to leave the Soviet Union.

He left in October 1977, and ended up in Munich, where he made the running with publications that brought Soviet political prisoners right into the centre of the western human rights movement — at a time when the KGB had finally crushed human rights journals inside the country.

For 13 years Lyubarsky's output was enormous. There was a bilingual news brief twice monthly; a yearbook of political prisoners complete with

case details and family contacts; and a monthly journal called *My Country and the World* with analytical pieces from international contributors. All this was possible only because his prodigious contacts trusted him.

After 1991 and the collapse of the Soviet Union, Kronid Lyubarsky went back to Moscow and became Deputy Editor of the prestigious *New Times*. Under him the weekly journal turned radical and always opposed the war against Chechnya.

Lyubarsky never became a human rights "celebrity". For a start his temperament was unsuited to it and he was basic-

ly too busy; moreover his work demanded that he was anonymous and in the background. But the impact of this rigorous, rational figure at the heart of the movement was enormous.

It was state censorship and the Soviet invasion of Czechoslovakia in 1968 which propelled him to human rights work, like a number of scientists of his generation. At his trial he put it like this: "For a scientist it is natural to strive to find out things for oneself."

"For me and people of my generation this idea is all the simpler in that we were reared in a peculiar era — an era when 'the essence of all philosophy'

was contained in chapter 4 of *The Short History of the All Union Communist Party* (Bolsheviks) and nowhere else. And that kind of upbringing bears its fruit. I will never take anyone at his word. Not later and not now."

In the Sixties and Seventies, when the personal risks were enormous, Lyubarsky helped to edit the first Soviet human rights journal, *A Chronicle of Current Events* (which ran from 1968 to 1981). It began as an effort to monitor what happened to the handful of people who protested against the Czech invasion, but became a compendium of political imprison-

ment throughout the 15 republics of the union, before it was finally crushed in 1981.

Lyubarsky also co-distributed political prisoners' aid, and was a member of Amnesty International in Moscow. In recent years he edited a new *Human Rights Bulletin*, which is the most interesting and authoritative publication of its kind in Russia today.

Not long ago some of the Moscow media started referring to 30 October as "Political Prisoners' Day". This gave Lyubarsky very gratification: it was the anniversary of his own trial, which he and other prisoners had turned into the first

countrywide hunger strike in the 1970s, and made a yearly tradition.

In 1975, when the Nobel Peace Prize Committee awarded Andrei Sakharov the Peace prize, Kronid Lyubarsky wrote to him from Vladimir prison: "Keep healthy, for God's sake, and may your fortress of a spirit never fail. We are all proud of you and send our love. We shall yet see the sky lit up for you." We did, and I think we shall yet see a salute to Kronid Lyubarsky.

Marjorie Farquharson

Kronid Arkadievich Lyubarsky, scientist and human rights



Lyubarsky: rigorous and rational

campaigner: born Pskov, Soviet Union 4 April 1935; married 1959 Galina Salova (one daughter); died Indonesia 25 May 1996.

BIRTHS

FLATT: On 11 June 1996, to Mary (née Scruby) and Graham, a daughter, Rachael Jane.

WAKEFIELD: On 15 June 1996 to Fiona (née Nathan) and Martin, a son, Harry James, a brother for Sophie.

DEATHS

ANGUS: Greta Geraldine. On 15 June, peacefully at home, aged 89. Her husband, John, died 1994. Her mother and grandmother. Memorial services to be arranged later. No flowers please, but donations if desired to Cancer Research Campaign c/o 10 Cambridge Terrace, London NW1 4AL.

DEAN: Michael Edin, peacefully on 15 June, the eve of his 78th birthday, after a short illness very bravely borne. Most dear father, grandfather, uncle and brother. Funeral service at Renshaw Crematorium, Leeds, on Friday 21 June at 3pm. Family flowers only, but donations if desired to the Marie Curie Foundation, Leinfild Clinic, Moorstown, Leeds 17.

HUGHES: Rosemary Lorna (née Cautley), passed away peacefully on 13 June after a courageous fight against cancer. A loving mother, college teacher and former Guy's Nursing Sister, she will be greatly missed by her children Sarah-Jane, Richard, and Edmund, and all her family. Funeral service at St Edward's RC Church, Golden Green, on Friday 21 June at 12 noon. Private cremation afterwards. No flowers, but donations if desired to St Edward's RC Church, Golden Green, on Friday 21 June at 12 noon. Private cremation afterwards.

JONES: Jennifer, on 11 June 1996. Peacefully in hospital, after a long fight with MS. Mother of Katherine and Timothy, grandmother of Beatrice and Sean. Cremation at St Marylebone.

ROYAL ENGAGEMENTS
The Duke of Gloucester, Prince, Norfolk, has been engaged to marry the Hon. Lady Sarah, daughter of the Duke of Devonshire, on 20 September 1996. The Duke of Kent, Prince, Kent, has been engaged to marry the Hon. Lady Sarah, daughter of the Duke of Devonshire, on 20 September 1996. The Duke of Kent, Prince, Kent, has been engaged to marry the Hon. Lady Sarah, daughter of the Duke of Devonshire, on 20 September 1996.

Births, Marriages & Deaths

Crematorium, East End Road, N2, at 1.30pm, Wednesday 19 June. No flowers please (but if desired donations to the MS Society, 25 Efic Road, London SW6 1EE, marked "for research").

MACLEAN: Sir Fitzroy, Baronet, KT CBE, 15th Captain and Keeper of Dunrobin in the Isles of the Sea, on 15 June 1996. Funeral at Strathairn, Argyle, on Monday 24 June at 2.30pm. A memorial service will be announced later.

NEGROPONTE: On 16 June 1996, Dimitri, peacefully in London, aged 81 years. Husband of Catherine and father of John, Nicholas, George and Michel. Funeral service at the Russian Orthodox Cathedral, Enfield, on Thursday 20 June at 10.30am, followed by private cremation. Flowers may be sent to the Cathedral by 10am.

NIGHTINGALE: Edward Humphrey (Ted), aged 91, of Naivasha, Kenya, died peacefully in Cheltenham on 14 June 1996. Funeral to be held in Sevenhampton Church, Gloucestershire, at 10.30am on Thursday 20 June.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding anniversaries, In Memoriam) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephoned to 0171-293 2011 or faxed to 0171-293 2010.

Forthcoming marriages

Mr A. A. Douglas and Miss A. E. McMaster
The engagement is announced between Angus, youngest son of Mr and Mrs Mervyn Douglas, of Clevedon, North Somerset, and Amanda Helen, daughter of Professor and Mrs Paul McMaster, of Moseley, Birmingham.

Birthdays

Miss Eva Bartok, actress, 67; Mr Peter Batty, television and film producer, 64; Mr James Bishop, former editor-in-chief, Illustrated London News Publications, 67; Mr Michael Blakemore, theatre director, 68; Mr Ian Carmichael, actor, 76; Mr Carl de Winter, former secretary-general, Federation of British Artists, 62; Mr Barry Evans, actor, 53; Miss Patricia Hutchison, former ambassador to Uruguay, 70; Mr Roy Jackson, former assistant general secretary, TUC, 68; Mr John Kelsall, Headmaster, Brentwood School, 53; General Sir Brian Keane, Governor, Royal Hospital, Chelsea, 62; Sir Dennis Landau, former chief executive, CWS, 69; Mr Paul McCartney, songwriter and former Beatle, 54; Miss Alison Moyal, singer, 35; Sir Peter Phillips, former chairman, AS Electronics, 66; Miss Della Smith, cookery writer, 55.

Anniversaries

Births: Edward Dalziel, statesman, 1884; Richard Allen Boone, film actor, 1916; Sammy Cahn (Walter Cohen), lyricist, 1914. Deaths: Sir Thomas Picton, soldier, at Waterloo, 1815; William Combe, adventurer and poet, creator of "Dr Syntax", 1823; William Cobbett, writer and politician, 1835; George Grote, his-

torian, 1871; Samuel Butler, author, 1902; Roald Amundsen, explorer, lost in the Arctic 1928; Douglas Robert Jardine, cricketer, 1938; Eibel Barrymore (Blythe), actress, 1959; Bruce Marshall, novelist, 1987. On this day: the English were defeated by the French under Joan of Arc at the Battle of Patay, 1429; John Hampden, parliamentarian, was mortally wounded at the Battle of Chalgrove Field, 1643; war broke out between Britain and the United States, 1812; the Duke of Wellington, allied with von Blücher, defeated the French under Napoleon at the Battle of Waterloo, 1815; Waterloo Bridge over the Thames in London opened, 1817; Adolf Hitler's book *Mein Kampf* was published, 1925; a US Air force plane crashed near Tokyo, with the loss of 129 lives, 1935; a Trident-I of British European Airways crashed after take-off at London, killing all 118 people aboard, 1972; a watercolour by Joseph William Turner was sold at auction for £340,000, 1976. Today is the Feast Day of St Amandus of Bordeaux, St Elizabeth of Schönan, Saints Gregory, Demetrios and Calogeros and Saints Mark and Marcellian.

Luncheons

Royal Ulster Rifles' Officers' Club
The Annual Luncheon of the Royal Ulster Rifles' Officers' Club was held yesterday at the Army and Navy Club, London W1. Maj-Gen J.H.S. Majury presided.

Receptions

Prime Minister
The Prime Minister, Mr John Major MR and Mrs Major were hosts at a reception evening at 10 Downing Street in honour of the Malcom Sargent Cancer Fund for Children.

Pre-trial custody extended for want of a judge

LAW REPORT

18 June 1996

Regina v Central Criminal Court, ex parte Abu-Wardeh; Queen's Bench Divisional Court (Lord Justice Auld, Mr Justice Sachs) 5 June 1996

In exceptional circumstances, the unavailability of a judge of suitable seniority to try a criminal case could amount to a "good and sufficient cause" for extending the pre-trial custody time limit under section 22(3) of the Prosecution of Offences Act 1985.

The Queen's Bench Divisional Court dismissed an application by Mahmoud Abu-Wardeh for judicial review of the decision of the Recorder of London on 19 February 1996, extending the custody time limit to 1 October 1996.

Rock Boney QC and Simon Penttil (Kain Codner) for the applicant; William Boyce (CPS HQ) for the Crown.

Lord Justice Auld said the applicant and three others were charged with conspiring to cause explosions and associated offences in connection with bomb attacks in July 1994 against the Israeli Embassy in London and the Jewish Philanthropic Association's premises in Finchley. Because of its importance, the case was listed for trial by a High Court judge. It was origi-

nally fixed to start on 2 January 1996. That date was just within the custody time limit of 112 days from the latest commitment of joint defendants to arraignment imposed by reg 5 of the Prosecution of Offences (Custody Time Limits) Regulations 1987.

In December 1995 the trial was postponed, and the custody time limit extended, until 19 February 1996. Then in January 1996 the designated judge, Mr Justice Scott-Baker, withdrew from the case because he knew one of the prosecution witnesses, Mr Justice Garland, was assigned to try it instead.

On 26 January, he heard applications by the prosecution and two defendants for a further adjournment, which the applicant opposed. Because of his judicial commitments, he was unable to start the trial until 1 October 1996. No other judge of sufficient seniority was available to try it before then.

The prosecution then applied to the recorder for a further extension of the custody time limit until the new trial date of 1 October. The recorder so ordered, having concluded that there was "good and sufficient cause"

on its own facts. On the issue of sufficiency, the judge was entitled to have regard to the nature of the case and any particular limitations this might impose on the status and seniority of the judge to try it and the difficulty of making such a judge available. He must decide whether any such difficulty was a sufficient cause for an extension of the length sought.

In the exceptional circumstances of this case, the recorder could not be said to have acted perversely or unreasonably in finding the unavailability of the judge to be a good and sufficient cause for extending the custody time limit.

However, his Lordship disagreed with the decision in *R v Luon Crown Court, ex p Newnes* [1992] Crim LR 721, that protection of the public could in itself be a "good and sufficient" cause for extending the custody time limit. As all serious charges save treason were subject to the custody time limits and as many defendants facing serious charges were remanded in custody for the protection of others, Parliament could not have intended that the original reason for custody could in itself be a good cause for extending the custody time limit.

In his Lordship's view, the statutory formula of the two adjectives "good" and "sufficient" must have some purpose other than mere emphasis. "Good... cause" must mean some cause for the extension of time sought, not the corresponding need to keep the defendant in custody. "Sufficient" meant what it said and required the court when considering a "good... cause" to evaluate its strength. Each case must be decided

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صلى الله عليه وسلم

Hamish McRae: Culture shock for Japan's banks 19
Market report: Glaxo out of isolation 18
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CITY & BUSINESS EDITOR: JEREMY WARNER

Sumitomo scandal: SFA officials who took part in Winchester Commodities investigation set to join inquiry into £1.2bn losses

Investigators look at London traders' role in copper scam

NIC CICUTTI
PETER RODGERS
and RICHARD LLOYD PARRY

Securities and Futures Authority investigators who investigated the copper trading activities of Winchester Commodities over a two-year period are set to join the inquiry by UK regulators into the "London connection" that helped bring about the spectacular £1.2bn losses incurred by Sumitomo Corporation.

Among the questions they are hoping to have answered by Sumitomo is the extent to which Yasuo Hamanaka, the trader at the centre of the losses, used Winchester Commodities and other London Metal Exchange brokers to carry out his trades. As the copper price unexpectedly stabilised in London trading, it also emerged that the key traders who founded Winchester Commodities were previously employed by a firm run by David Threlkeld, the whistleblower who warned the London Metal Exchange about Mr Hamanaka's methods as long ago as 1991.

previous year. The correspondence was in the wake of a substantial squeeze in the copper market in 1993, which the SFA is investigating. The warnings were also shortly before Codelco, the Chilean copper firm, disclosed enormous losses in the market. According to metal dealing sources, Sumitomo was alleged at the time to have cornered up to 10 per cent of the copper market, manipulating it

left the UK for tax reasons. They were reported as earning £15m each in the year to March 1995 and about £10m each the previous year.

However, regulatory sources suggested yesterday that Winchester was aware of the fact the SFA would continue to have a strained relationship with the company while both men remained at the helm.

The continuing investigation into Winchester comes despite claims by the company that it had been given a clean bill of health by the SFA at the conclusion of its two-year inquiry in May this year. This is now being denied by SFA sources, who pointed to a letter sent to Winchester in which it was said no further action was planned, but only for the moment.

Winchester yesterday denied it had done anything wrong and welcomed further investigation by regulators into its activities. A spokesman said: "Winchester confirms that it will be happy to co-operate with any inquiries that are set up to investigate the circumstances of Sumitomo's losses."

"Winchester has nothing to fear from these inquiries. [We] do not intend to speculate on the background of [the] losses."

The spokesman said he was unaware whether Credit Lyonnais Rouse, the derivatives arm of troubled French bank Credit Lyonnais, which took on the credit risk for a transaction in which Sumitomo lost up to \$140m (£90m) and Winchester allegedly gained more than \$100m, had until recently had the option to purchase up to 20 per cent of Winchester.

Documents seen by the *Independent* show Credit Lyonnais Rouse acted in at least one large copper deal that also involved

a Winchester brokerage subsidiary and Global Global Minerals and Metals Corporation of New York.

Global was another firm doing substantial business with Sumitomo, and it confirmed it had a close relationship with the Japanese company. But a spokesman for Sumitomo repudiated this, saying Sumitomo had not authorised any accounts at Global.

Shares in Sumitomo Corporation fell steeply yesterday. Sources in Sumitomo admitted to the *Nikkei Shimbun*, the country's leading economic journal, that the London Metals Exchange drew attention to Hamanaka's activities twice, in 1991 and 1993. They said the



High life: The Old Rectory at West Tytherley near Salisbury, Wiltshire, owned by Mr Vincent

Photograph: Roy Riley / Solent Picture Agency

LME suspected him of fictitious trading and price manipulation, but in-house investigations by Sumitomo failed to turn up any evidence of dishonest activity.

The report will add to the incredulity among traders and analysts about the period of time that the deception went undetected. According to Sumitomo, Mr Hamanaka himself owned up to the unauthorised trades on 5 June, after a junior clerk turned up a minor discrepancy in financial statements.

Apart from one other unnamed employee, who left eight years ago, the company says that it is aware of no one else privy to Mr Hamanaka's secret. This version of events is greeted by

unanimous scepticism among analysts in Tokyo.

"Even given the slack controls in Japanese companies, even given Hamanaka's cunning, it's almost impossible to believe that no one else had, at the very least, sniffed that something was fishy," one said yesterday.

"The copper markets had been in turmoil for weeks and everyone was pointing the finger at him. The British and the Americans were investigating; it's impossible to believe that they [Sumitomo] were the last to know."

A Sumitomo spokesman said yesterday that he could not comment as the corporation was still "studying" the report. The corporation has offered almost

no public comment since Friday when trading in its shares was suspended for a day on the Tokyo Stock Exchange. Trading resumed yesterday and shares fell ¥200 yesterday to close at ¥1,010, down 16.5 per cent.

The fall reveals a suspicion among traders that the impact of the losses on the giant corporation may be more serious than it is letting on.

This was also reflected in the decision by Moody's Investors Service to downgrade Sumitomo's debt rating to A1 from Aa3, meaning it may cost the company more to raise money by issuing bonds. The markets were rife with rumour about losses sustained by other big traders of copper, including

Mitsui and Morgan Grenfell. It also emerged that Nymex, the New York commodities exchange, has been running a campaign for tougher regulation of the LME. Nymex believes it is disadvantaged by being more tightly regulated.

Merrill Lynch confirmed it operated trading accounts for Sumitomo but denied they were secret conduits; they were authorised at levels more senior than Mr Hamanaka.

After a fall to as low as \$1,800 per tonne copper, recovered to close unchanged at \$1,980. Fears of collapse were unfounded and the Bank of England was not involved.

Comment, page 17
Hamish McRae, page 19

OECD aid to poorest siphoned off to emerging middle classes

DIANE COYLE
Economics Editor

To him who has will more be given, and from him who has not, even what he has will be taken away.

That could have been the text for the world's poorest countries, when official aid from the rich to the poorest countries fell sharply, but private investment flows from the industrialised nations to mainly middle-income countries set a record.

The US aid budget fell particularly steeply from just under \$10bn (£6.5bn) to \$7.3bn, taking it from being the biggest to the fourth-largest donor, according to new figures from the Organisation for Economic Co-operation and Development.

The three leading donors, Japan, France and Germany, accounted for more than half of

1995's \$59bn official assistance to developing countries.

Government aid dropped to its lowest since 1987 in real terms, and to its lowest as a share of GNP. It amounted to 0.27 per cent of GNP, compared with the target of 0.7 per cent set by the United Nations in 1970.

The main reason for the decline was the efforts of OECD governments to cut their budget deficits.

At the same time private investment by OECD countries in the developing world set a record of \$170bn, almost twice as high as the flow two years earlier. The share of total capital flows from the first world to the third made up by private flows from the first world since the debt crisis of the early 1980s.

Net direct investment made up some \$60bn of the total pri-

vate capital flow, \$13bn higher than the previous year and an all-time high. "Industrial development, increasingly skilled workforces and the attraction of joint venture schemes are drawing capital into Asia and Latin America," the OECD report commented.

About 20 developing countries attract most of the private sector investment. The OECD is holding a meeting of experts in Paris today to consider what this increasing flow of investment and capital means for its member countries.

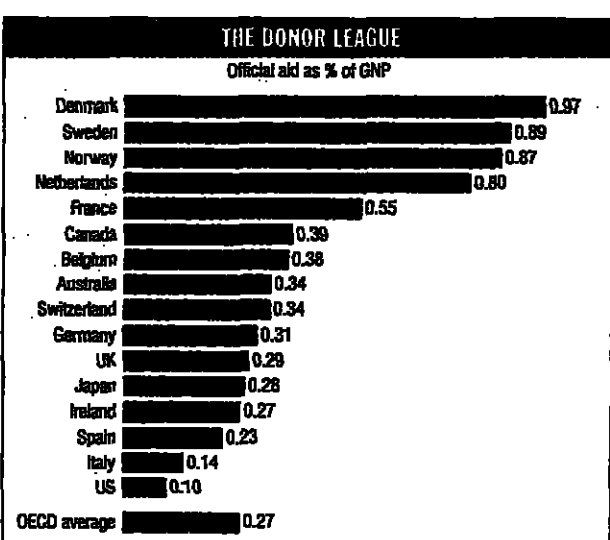
Bank lending also continued to rise in 1995, most of it short-term lending to Thailand and Korea. Bank lending to Latin America also recovered quickly from the Mexican crisis at the start of the year.

Loans to developing countries have risen swiftly, from only \$9bn in 1993 to \$75bn last year. All but \$5bn of the 1995 total was short-term.

Baroness Chalker, Minister for Overseas Development, welcomed the increase in private investment in developing countries. "These private flows are a vote of confidence in the economic future of the developing world," she said.

However, aid charities said private money did not flow to the very poor. An Oxfam spokesman said: "The extremely poor countries are reliant on official assistance and it is disturbing that aid is on a downward spiral."

Action Aid criticised the British government for diverting part of its aid budget to eastern Europe, a relatively well-off part of the world. But the ODA said it was valid to use a small proportion of the budget for the



purpose of stability in the region. Britain's aid spending was almost unchanged in cash terms, at \$3.2bn. This was a 6 per cent fall in real terms. The UK's relative contribution, at 0.29 per cent of GNP, was a whisker above the OECD average.

France was the most generous of the G7 countries, spending \$8.4bn or 0.55 per cent of GNP.

Japan's total spending was higher, at \$14.5bn, but it amounted to only 0.28 per cent of its GNP. The Scandinavian countries and the Netherlands were most generous relative to the size of their economies.

Total OECD aid spending of \$59bn was \$150m lower than in 1994, equivalent to a 0.3 per cent fall in real terms.

Homes boost set to continue

NIC CICUTTI

The recovery in the housing market seen so far this year is set to continue well beyond the summer months, boosted by continuing demand from first-time buyers and a lack of suitable homes for sale, a survey claimed yesterday.

The Royal Institution of Chartered Surveyors said its estate agency members reported significant price increases over the past few months.

Its latest survey comes amid growing evidence from estate agents and building societies that house prices and the level of sales are on the increase.

"The message we are getting from our members throughout the country is that two main trends are driving prices up - the return of first-time buyers to the market and a dearth of homes being put up for sale," said Ian Perry, chief executive of Manchester and District Housing Group and a RICS member.

"After the usual summer slow-down, we expect to see many more homeowners putting their properties on the market, encouraged by rising prices," he added.

However, the RICS survey found that prices have not risen uniformly across the UK. Some 70 per cent of chartered sur-

vveyors in London and the South-east of England are reporting that prices have gone up, compared with just 17 per cent for England and Wales.

"Our survey shows that there are grounds for optimism, but certainly no reason to suppose that there will be a return to the price increases seen in the late 1980s," Mr Perry said. "If prices continue to climb, hundreds of thousands of homeowners will be released from the shackles of negative equity [where the value of a home is less than the mortgage being paid on it]. The resulting influx of properties will then stabilise prices."

The upbeat RICS survey follows a report from Halifax Building Society earlier this month, showing that house prices rose by 1 per cent in May, the tenth month in a row. The Halifax has revised upwards from 2 to 5 per cent its estimates of the likely increase in house prices throughout 1996.

A separate report from Black Horse, the estate agency arm of Lloyds Bank, shows that some 65 per cent of potential buyers are unencumbered by existing property ownership.

They are either first-time buyers or former owners tempted back into the property market by a perception that prices have stopped falling.

Charges in offing for users of radio spectrum

MATHEW HORSMAN
Media Editor

The Government yesterday revealed plans to introduce market pricing for the allocation of scarce radio capacity in the UK, in a move aimed at reducing congestion, increasing spectrum efficiency and ushering in the digital revolution.

Initially, the proposals would exclude commercial broadcast-

ers but would affect mobile phone operators, couriers, taxi services and other licensees. Mobile phone users, for example, could see the price of calls rise by a few pence, if the policies outlined in a new White Paper, *Spectrum Management into the 21st Century*, are adopted.

But the Department of Trade and Industry, which has responsibility for licences issued under the Wireless Telegraphy

Act (1949), said most users would not pay more for licences. "The objective is not to increase revenue but to encourage spectrum more efficiently," a DTI spokesman said.

Unveiling the White Paper yesterday, Ian Lang said the proposals would "improve the way in which the finite resource of the radio spectrum is managed so that future growth can be accommodated."

Commercial radio and television broadcasters would not be affected by changes, as they are already licensed under the Broadcasting Act. The BBC would also be excluded. "We do not intend to ask [licence holders] to pay twice for their licences," the spokesman said.

However, market pricing - including the likelihood of auctions - could help accelerate the transition to the digital world,

by ensuring that digital capacity for television and radio was priced far lower than analogue.

The Government hopes that differential pricing will make digital services, including digital terrestrial television, more attractive. The private sector could even end up subsidising the introduction of digital receiving equipment to encourage take-up rates, the DTI said.

The Government is keen to

free up analogue capacity, which could then be used for new services. But it has been battling scepticism about the viability of digital terrestrial television among leading commercial advertisers.

If at least 50 per cent of the country adopts new digital terrestrial services, the Government might then introduce market pricing to allocate the freed analogue capacity.

STOCK MARKETS					
Index	Close	Day's change	Change (%)	1995 High	1996 Low
FT-SE 100	3781.50	+7.90	+0.2	3857.10	3639.50
Nikkei	21900	+240	+1.1	22000	21500
Dow Jones	4462.20	+2.40	+0.1	4566.60	4015.30
FTSE 250	1901.10	+2.90	+0.2	1945.40	1816.00
FTSE 350	2239.75	-0.22	-0.0	2244.36	1964.06
FT Small Cap	1687.21	+2.83	+0.1	1824.17	1791.35
FT All Share	5045.76	-3.68	-0.1	5778.00	5032.94
New York	22425.38	-44.01	-0.2	22289.36	19734.70
Tokyo	22425.38	-44.01	-0.2	22289.36	19734.70
Hong Kong	2546.12	-2.71	-0.1	2570.78	2253.36
Frankfurt					

INTEREST RATES					
Short sterling	UK medium gilt	US long bond	Money Market Rates	Bond Yields	
1 Month	1 Year	Medium Bond (%)	Year Ago	Long Bond	(%) Year Ago
5.75	6.13	8.13	8.09	8.24	8.15
5.50	6.13	8.00	8.14	7.09	6.57
0.44	0.97	3.20	2.90		
3.38	3.63	6.66	6.70	7.24	

CURRENCIES					
£/\$	£/DM	£/¥	Pound	Dollar	
Yesterday	Change	Year Ago	Yesterday	Change	Year Ago
\$ (London)	1.5453	+0.0024	1.5396	£ (London)	0.6471
\$ (NY)	1.5390	unch	1.6005	£ (NY)	0.6510
DM (London)	2.3453	+0.0041	2.2366	DM (London)	1.5177
¥ (London)	168.193	+11.068	138.213	¥ (London)	108.845
£ Index	85.8	+0.2	84.2	£ Index	97.0

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China and US avert sanctions over pirating

TERESA POOLE
Peking

China and the United States last night backed away again from damaging tit-for-tat trade sanctions with an eleven-hour deal in which Peking repeated earlier promises to do more to enforce intellectual property rights (IPR) protection on the mainland.

Charlene Barshefsky, acting US Trade Representative, said the US\$2bn of tariff hikes that were due to take effect yesterday would not be implemented because China had taken "serious and important steps" in recent weeks.

The threat of sanctions was again used to encourage China to enforce the IPR agreement that Ms Barshefsky secured in brinkmanship negotiations in February last year, also under the threat of a tariff war. Sixteen months ago, when China agreed to factory closures and crack-downs, Ms Barshefsky warned that "enforcement" was the crux. Yesterday, after outlining Peking's new commitments, she added: "Over the long term, the real test of the agreement lies in the strength of the underlying enforcement regime."

As Ms Barshefsky said last night, IPR protection is a complex and long-term process. Although few analysts believe China will stick to the letter of all its latest commitments, each stand-off with the Americans is seen as producing incremental gains. Ms Barshefsky described her meetings yesterday with President Jiang Zemin and vice prime minister, Li Langling, as "constructive and positive in tone".

Among measures taken in recent weeks, or agreed during the past few days of negotiations, China has closed 15 factories producing pirated CDs, including 12 in the southern province of Guangdong, where most of the pirated goods are produced. For the first time, the factories' business licences were revoked and production line equipment removed and CD moulds destroyed.

New Chinese regulations have now banned the establishment of any new CD plants and prohibited the import of CD presses into the mainland. Six "notorious" CD distribution markets in Guangdong have been closed, and more than 5,000 "laser disc showing rooms" had been shut down, said Ms Barshefsky.

The US copyright industries claim that pirating of CDs, CD-Roms, computer software and laser discs cost them US\$2.3bn last year in lost sales. In total more than 30 factories, many with local government backing, have been shutting out tens of millions of pirated CD units, despite last year's IPR pact. Ms Barshefsky said it had only been in the past three or four months that the US had learned of an unknown number of "underground" factories also producing pirated goods.

Better verification and monitoring procedures were now in place, including "an extraordinary web of people on the ground", said Ms Barshefsky, when asked why she expected this year's closures to be any more permanent than last year's. Several big offending enterprises were closed down in February 1995, only to re-open a few months later still producing pirated goods.

China has now promised to station inspectors in all the Guangdong factories 24 hours a day. Any CDs without identifying codes will be deemed illegal, and the inspectors will have to check that there is permission to produce the CDs.



Time out: Chinese trade negotiators led by the vice-minister for trade, Shi Guansheng (second left at front), taking a break during their day-long talks in Peking with US counterparts. A deal was finally struck over copyright infringement

Tobacco industry remains besieged

Six new whistleblowers are now helping US states in their lawsuits seeking to recoup health care costs of smokers from tobacco companies. Mississippi Attorney General Mike Moore said yesterday.

Speaking at a tobacco litigation conference in Florida, Moore said he also has been contacted by lawyers in South America, Australia, Canada and Britain about filing cases against tobacco companies.

He told lawyers and industry analysts that the attack on the tobacco industry is growing with the emergence of the new whistleblowers and steadily increasing interest by states, cities and now foreign countries in suing cigarette makers.

"This is not only a state case but a national case... a case that will go worldwide," Mr Moore said.

Nine states have now sued tobacco companies seeking reimbursement of Medicaid costs to cover smokers' illnesses. Mr Moore said that Connecticut, New Jersey and Kansas also plan to file similar cases.

"My prediction, and it is a pretty reliable prediction, is that there will be at least 11 others [that will file] by the end of the summer," he said.

In addition to the states, some individual cities and counties are considering suits. San Francisco, for example, has already filed and Los Angeles' board of supervisors has voted to take a similar action.

Mr Moore said he has been informed that San Jose, California also wants to join in the litigation.

He said that the movement among cities appears to be occurring in states that have not shown interest in filing tobacco suits.

Mr Moore, the first state attorney general to sue the industry, said the state cases have received a huge boost from former tobacco company workers who have come forward with information about their employees.

He said the six new whistleblowers from three different tobacco companies are helping the states with information about nicotine addiction and about the alleged misuse of attorney-client privilege between tobacco companies and their lawyers.

Westminster launches £75m bid for rival

NIGEL COPE

Westminster Healthcare launched the first hostile takeover bid in the nursing home sector yesterday when it made a 170p-a-share offer for Goldsbrough Healthcare, valuing the company at £74.5m.

Goldsbrough "emphatically" rejected the offer, describing it as "opportunistic and unwelcome".

The company's shares closed 5p higher at 174p as rumours circled that the company's adviser, SBC Warburg, was seeking a white knight. It is thought that West-

minster pitched the offer at such a premium to Friday's closing price of 119p to achieve a knock-out blow.

Westminster's hostile strike is part of a plan to diversify away from its traditional nursing home business which still accounts for 90 per cent of its sales. It has 84 nursing homes but has also moved into specialised health-care services such as retirement homes, rehabilitation centres and acute care as the nursing home market has come under pressure as local authorities clamped down on their healthcare budgets.

As a result, occupancy levels have been falling. "The whole sector has been looking pretty sickly," one analyst said.

Goldsbrough has moved further in its diversification, with 54 per cent of its profits coming from private hospitals and homecare schemes which provide care in the home for fee-paying patients.

Goldsbrough's chairman, Sir Brian Hill, went on the offensive saying that Westminster was weak in these areas. "They have launched this hostile bid to fill the gaping hole in their strategy."

Westminster said it should be able to make cost savings through head office and administration cuts as well as buying efficiencies. However, analysts said there had been concerns that though Goldsbrough had been innovative, it had lacked the resources to implement its ideas.

It also pointed to Goldsbrough's poor financial performance since it came to the stock market in March 1994 priced at 170p. Prior to the offer, the shares stood at 119p and had underperformed the market by 38 per cent.

Westminster said it made an approach to Goldsbrough last year and again on Friday and Sunday but was rejected each time. Under the terms of its offer Goldsbrough shareholders will receive 34 new Westminster shares for every 100 Goldsbrough shares held. There is also a cash alternative of 156p per share.

Westminster criticised Goldsbrough both for its financial performance and its failure to win investor confidence.

The company is expecting this year's profits to be not less than £17.4m.

£71m Williams sale 'could herald more'

ROGER TRAPP

Williams Holdings, the international manufacturing group, refused to rule out further disposals of non-core activities following yesterday's sale of its electronics arm for £71m.

However, Roger Carr, chief executive of the former conglomerate that is increasingly focusing on fire protection, security and building products, said sales were likely to be over the medium term.

Mr Carr said: "There are one or two businesses in the building products division that may be considered for sale in the future, but today's sale of the electronics division does not herald a fresh wave of disposals."

"In building products, we will continue to focus on those businesses that have a true international dimension," Mr Carr said, adding: "We are still committed to the smaller, nationally-based businesses, but there may come a time when we will consider sales or

divestments of these units." The sale of the electronics business, SAIA Burgess Electronics, based in Switzerland, had been expected for some time, though the price achieved was slightly higher than anticipated.

Under the terms of the deal, SAIA's management will have a 10 per cent stake and venture capitalists from SBC Equity Partners, part of SBC Warburg, and QCM Partners will hold 70 per cent. Williams will continue to hold 20 per cent.

In the year to 31 December 1995, SAIA made pre-tax profits of £8.1m on sales of £109m. Analysts predict that the deal, which is likely to realise Williams a small exceptional gain, will enable the company to reduce gearing from approximately 90 per cent to about 50 per cent.

Under Mr Carr, Williams has battled to shed its conglomerate tag by building up the businesses identified as its core activities. The company's shares closed down 1p at 336p.

Takare issues profit warning

The pain in the nursing home sector was underlined yesterday when Takare, one of industry leaders, issued a profit warning, writes Nigel Cope.

Of the 12 homes commissioned by Takare in the last year, seven are performing below the company's expectations. The seven homes account for around 10 per cent of the group's 8,500 beds.

The shares dipped 3p to 141p

as the company said the slow-down would have an effect on this year's profits.

Of the 12 homes commissioned by Takare in the last year, seven are performing below the company's expectations. The seven homes account for around 10 per cent of the group's 8,500 beds.

Hamilton Anstead, the

Takare managing director, said: "We would normally expect a new nursing home to be up and generating a full return 12 months after being commissioned."

The under-performing homes will not achieve that criteria for an additional three months. The company will be adjusting its number of new builds during the year.

Prices fears temper steel profits

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

When a company breaks through the billion pound profit barrier for the first time, management could be forgiven for expecting a little more than a ha-penny rise in the share price. But such is life in the steel sector, British Steel has been riding the cycle and the market had been expecting a strong performance. The share price reaction shows that the market is predicting the best may be over and worse yet to come.

Chief executive Sir Brian Moffat accepted yesterday that since the steel industry was at the top of its cycle, profits for the current year would be adversely affected, though he still anticipated a "satisfactory performance".

Quite what that means largely depends on your view of how far steel prices will fall in the next two years. Some analysts are predicting a "soft landing" following the difficulties in the second half last year, which spilled over into the first quarter of 1996. But the bears are predicting significant falls in steel prices. They are also wary of British Steel's ability to manage the decline.

All this is harsh on a company whose shares had a good run earlier this year. Profits were struck at a record £1.1bn compared with the previous year's figure of £578m.

The results were boosted by the contribution of Avesta Sheffield, the Swedish stainless steel group, in which British Steel increased its stake to over 51 per cent. They also include a full-year contribution from British Steel Engineering Steels, British Steel Forgings and Southrop Rod Mill, all of which became wholly owned in March 1995.

Even with capital expenditure topping £320m, there was a cash inflow of £561m, which took net funds as at 30 March to £690m. There has been talk of a share buy-back but the company said yesterday that it was more likely to spend the cash pile on acquisitions.

British Steel shares have enjoyed a strong run in the last few years, rising from a low of just 47p in 1992 to almost 200p earlier this year. But the price has come off in the last couple of months, reflecting concerns over de-stocking and the steel price. Sir Brian indulged in a fresh outburst against state subsidies, though British Steel has responded in an aggressive manner to produce more to try and improve short-term profitability.

The big question is whether the newly privatised European steel industry will change its past habits and rein its production back. In the past

they have, like British Steel, made the dash for volumes to support their overheads as the cycle turns.

With analysts forecasting profits of £578m this year, the shares, at 178p, are on a forward rating of 8. Avoid.

Wagon remains a roller-coaster

Wagon Industrial Holdings has subjected its shareholders to a hair-raising ride over the past five years. The shares have been up and down like a yo-yo while chief executive John Hudson positioned the group as a diversified industrial company with interests spread across automotive parts, storage and retail systems such as shelving. It has built up strong positions in areas such as springs, pressings and plastic trim as well as storage and check-out systems for retailers.

This was supposed to make the company less exposed to risk but the last seven or eight months have proved otherwise. There was a profits warning

in February caused by the delay in some car part orders.

There was another yesterday when Mr Hudson reported weakening demand in manufacturing industry which was affecting the storage products division. France and Germany are also proving difficult markets, with pressure on prices.

The retail systems division is suffering from the decision by some retailers to delay refurbishment programmes. The company was already expecting retail system profits to be weighted towards the second half.

This has been exacerbated. The result was another slide in the share price, which fell 26p to 348p. They stood at more than 500p as recently as last year. All this has deterred some in the City who have been disappointed once too often when the company's bullish noises have not been backed up by trading performance.

Pre-tax profits for the year to March were down slightly to £20m, though this was due to £6m of losses on disposals. Operating profits rose 16 per cent to £28m.

While the automotive division has

been sorted out as the delayed orders materialised, profits were still lower at £9.4m. Retail systems profits also fell.

After several years of growing market share with bolt-on acquisitions that included last year's £21m purchase of Summit, the cash-rich shell firm, the plan is to invest in existing businesses.

Analysts are forecasting profits of £26m this year. This puts the shares on a forward rating of 12 - relatively cheap but not one for the faint-hearted.

Filofax can still organise growth

The problem for Filofax's management in the last couple of years has been convincing the City that there is enough growth left in its major markets to maintain past performance. The UK, critics said, was relatively mature and continental Europe, where usage of personal organisers is lower, had not really taken off.

It was largely these fears, together concerns over the effects of the Paris strike at the end of last year, which had been acting as a brake on the shares. There was also an element of profit taking on a stock that shot from just 21p at the end of 1991 to a high of 275p last year.

These concerns were not dispelled when Filofax bought its rival, Topps of England, last year, giving it 85 per cent of the UK market. With no rivals to speak of, Filofax would have to expand its home market rather than take share from others.

Yesterday's results supported chief executive Robin Field's view that there was still more to go at. The shares jumped 19p to 242p on the back of a 33 per cent increase in pre-tax profits to £6.6m for the year to March.

The UK market is growing by 10 per cent a year and Filofax hopes to boost sales further by launching some top-end organisers priced at £100-£150. Margins have improved and Topps contributed profits of £0.8m on sales of £5.4m.

The company is keeping separate sales forces for the two brands to emphasise the difference. Filofax is pitched at the posh, aspirational end while Topps' Microfile is targeted at the mass market.

While the UK's market chugs along, continental Europe is going like a train. European sales increased by 36 per cent to £15m last year.

UBS is forecasting profits of £8.2m this year, which puts the shares on a forward rating of 13. Worth a look.

Beevering away as life goes on after the blast

CITY DIARY

JOHN WILLCOCK

If Laurie Beevers of Manchester stockbrokers Stephens is anything to go by, the city's business community is coping with commendable presence of mind to Saturday's bomb.

"We've redirected our five telephone lines to our mobile phones. One of our directors is working from Quilners [the brokers] office, while two others are executing the business through Smith Brothers [owned by Merrill Lynch]," Mr Beevers says.

He is working from home in Hale, while other directors are fielding calls in Bolton and Alderley Edge. Stephens' offices are located on the fifth floor above a Pizza Express in Dalton Street, just 300 yards from the blast, and Mr Beevers hopes to get back into the office today or tomorrow.

Fellow broker Albert E Sharp is operating through its Birmingham office and Siddalls through its London branch. Mr Beevers will be processing Monday's business today via Legal & General's local brokerage, Fairmount. As Mr Beevers says, "Life goes on."

The brokers' problems are dwarfed by those of the Co-op Bank Manchester head office in Balloon Street, which normally houses over 700 staff. Bits of the bomb lorry landed on the bank's roof. Terry Thomas, Co-op Bank's managing director, says all the staff have been redirected to branches in Salford and Stockport.

"It could be a blessing in disguise. It's an opportunity to rebuild the Arndale Centre, which is an eyesore and a blot on the landscape."

Congratulations to Sir Alastair Morton and Andre Benard, who have received a joint honorary degree from Cranfield University "in recognition of their distin-



Most businesses suffer relocation problems at some time, but Viscount Linley's are turning out more troublesome than most. His partner in his cabinet-making business, Mark Whiteley, comes from Whitley in North Yorkshire, and the pair have decided to move there now they have outgrown their current workshops in Cirencester, Gloucestershire. The duo have applied for planning permission to convert a disused army barracks in Whitley, only to run into a wall of opposition from local teachers who want to convert the barracks into a centre for children with special needs. Viscount Linley's party has pointed out that his business will generate 50 jobs in an unemployment blackspot, and that the local tradition of crafts suits his firm perfectly. Watch this space.

guished leadership as co-chairmen of the bi-national Eurotunnel Group in the building of the Channel Tunnel". Doubtless the tunnel's shareholders and bankers, frequently on the end of a tongue-lashing from Sir Alastair, were on hand to applaud this *entente cordiale*.

BZW has moved swiftly to fill the gap left by Sam Morrone, chief executive of the global markets division, who is leaving the investment bank to return to the US after a nine-year stint in London. He is replaced by a fellow-American, Robert E Diamond Jr, previously a big noise in the fixed-income markets at CS First Boston in New York.

Mr Diamond joins in July and his new boss, Bill Harrison, arrives in September.

Part of his empire includes BZW's metals trading outfit - but don't expect any comment from them on the Sumitomo copper scandal. "They're not involved and they don't want to be," says a BZW spokesman sternly.

Treasury staff have been pondering Chancellor Ken Clarke's speech at the Mansion House last week in which he warned against stoking up the economy for a pre-election boom.

He said: "The economy is not like a Pot Noodle - just add water and stir! Creating healthy sustainable growth is a painstaking process." The Treasury has since been bombarded by free samples of Pot Noodles, prompting one mandarin to reflect: "If only he'd compared the economy to Veuve Clicquot."

The same old story of many warnings ignored



COMMENT

'It would be wrong to blame the whole thing on the incompetence of the LME, even if this antiquated institution does represent the unreconstructed face of the old City'

When the Sumitomo scandal broke late last week, the position of the London Metal Exchange certainly looked an awkward one, given its supposed role as regulator of the London copper market. But even so this seemed more a case of mild embarrassment all round than one of overt regulatory failure. First impressions are often deceptive, and this one most definitely was.

Financial scandals tend to follow a well-worn pattern and it was perhaps naive to believe the LME's protestations of innocence. The pattern works thus: the scandal breaks, fraud is alleged; it then transpires that there is a history of warnings, which the regulator has investigated but eventually ignored, wrongly, as it turns out. As in so many other financial scandals, this is what seems to have occurred in the Sumitomo affair.

David Thekeld, a former London copper trader who once dealt extensively with Sumitomo, first alerted the LME to suspect transactions by Yasuo Hamanaka more than five years ago and has been badgering the Exchange and a number of newspapers (lamentably, not us) about it on and off ever since. According to Mr Thekeld, the authorities never took him or his allegations seriously. Rather, they treated him as wrong 'un, believing his complaints more a result of sour grapes than anything else. In the highly clubbable environment of the LME, it was easy to believe Mr Thekeld was just a trouble-maker best ignored.

As it happens, Mr Thekeld did indeed

have good reason for sour grapes. Two of his traders, Ashley Levitt and Charlie Vincent, were deserting him to form Winchester Commodities, taking the Hamanaka association and a large part of Sumitomo's highly lucrative business with them. They ended up poaching quite a few of Mr Thekeld's staff as well. When the Securities and Futures Authority started investigating allegations of manipulation in the copper market earlier this year, it was natural its attention should turn to Winchester. As with the LME, the investigation discovered nothing untoward.

All things seem obvious with the benefit of hindsight; the perennial problem of regulators is that hindsight is not an available commodity. Their lot is to operate in the fog, without guidance or direction. Certainly it is hard to judge quite how negligent or otherwise the LME has been without knowing the full facts. David King, its chief executive, insists that when the story is finally told, the LME will emerge unblemished. And maybe he will indeed be vindicated. You wouldn't get very good odds on that, though.

The fault, in any case, may lie not so much with the LME as with the London market as a whole. The problem is that a great deal of metal trading in London is over the counter, off-market, and therefore not subject to regulation at all. Furthermore, many of the biggest operators in these markets, such as Sumitomo, are not members of the Exchange. In so far as they use the Exchange, they trade through others. Per-

haps this is what the Lord Mayor, John Chalstre, meant when he referred in his Mansion House speech last week (before the Sumitomo scandal was known about), to the lightness of the City's regulatory touch being a major attraction to foreigners.

To be fair, the growth in unregulated, over-the-counter business is not something confined either to metal trading or London. It is a world-wide phenomenon affecting virtually all financial instruments, from equities to bonds and foreign exchange. Part of the fascination with the Sumitomo affair, is that it seems to be a quintessentially modern, global securities house based in Tokyo, Hamanaka, an Americanised Japanese *bucho* (highly respected executive) operating out of New York but using London for the bulk of his trades. The world's three great financial centres are thus brought together in a manner which makes it hard to establish where responsibility lies. Add to that the unregulated nature of over-the-counter trading, and it is easy to see why things ran amok.

London and the LME will not be left off quite so easily, however. It is no good saying, "But it's the same everywhere else". Nymex, the LME's American rival in New York, thinks it isn't in any case. Nymex believes the reason London is so successful in attracting business and traders is precisely because it is so under-regulated. Nymex said so publicly only days before the balloon went

up at Sumitomo, another piece of evidence the LME would rather ignore. This is an interesting reversal of the usual argument that high standards of regulation attract business and low standards drive it away. Not in the wholesale markets clearly, where the looser the regulation, the more the professionals seem to like it.

It would be wrong to blame the whole thing on the incompetence of the LME, even if this antiquated institution does represent the unreconstructed face of the old City. There are plenty of other financial markets where over-the-counter business is booming, not least in equities where a great deal of option activity takes place wholly outside the regulatory net. Because such trading is professional to professional, and because such people can presumably look after themselves, it is thought to be OK. Plainly not, judging by both the Barings (which interestingly was a case of on-market trading) and Sumitomo cases.

Booming over-the-counter business, often in highly complex derivative instruments, makes it that much harder for regulators to track markets and root out potential problems. The main failure in the Sumitomo affair was the bank itself, which lacked the internal controls to halt its powerful rogue trader. The regulatory failure in London, if that is indeed what occurred in a playground meant for big boys only, is a secondary aspect of the affair. As for claiming credit for uncovering the whole charade, the Securi-

ties and Investments Board, which was doing so with abandon on Friday, might be wise to keep its mouth shut. The perceived difference between success and failure in regulatory affairs is a slim one. Feted today, the SIB could find its role exposed as an altogether less flattering one tomorrow.

Sainsbury's copies to catch up

Poor old Sainsbury's. These days it seems to be forever catching up. Just copying others, is not going to do the trick though. As every management textbook will tell you, doing the same thing as the competition won't get you anywhere. Sainsbury's reward card, launched yesterday, may have the added attraction of air miles plus other unspecified goodies to come, but it is in other respects pretty similar to the Tesco loyalty card. As such it might succeed in halting the slide in market share but it won't, of itself, reverse it.

The Sainsbury's reward card even offers exactly the same effective 1 per cent payback as the Tesco equivalent. You might have thought that in its attempt to keep rivals, Sainsbury's would have been a little more ambitious. But herein lies the nature of Sainsbury's problem. Fundamentally and culturally, it doesn't like all this price discounting lark. Unfortunately, in an age where supermarket quality is judged much of a muckness, discounting is where it counts.

Stapleton to be UK head at Reed

ROGER TRAPP

Nigel Stapleton, chief financial officer of Reed Elsevier, is to succeed Ian Irvine as the UK head of the Anglo-Dutch media and information group.

Mr Irvine is to give up all executive duties at Reed Elsevier on 2 July when he becomes 60. But he will continue as chairman of Reed International until the annual general meeting next April.

Mr Stapleton, who becomes co-chairman of Reed Elsevier and of its executive committee alongside Herman Bruggink

cial officer since the formation of Reed Elsevier in January 1993, and has been finance director of Reed International since 1986.

He is also a non-executive director of Allied Domecq and a member of the Financial Reporting Review Panel, the financial accounts watchdog that works alongside the Accounting Standards Board. From 1994 to 1995, he was chairman of the 100 Group of UK Finance Directors and prior to joining Reed in 1986 held various management positions with Unilever.

Mark Armour, deputy chief financial officer of Reed Elsevier, will succeed Mr Stapleton as chief financial officer of Reed Elsevier and finance director of Reed International.

The arrival of Mr Armour from accountants Price Waterhouse last year has enabled him to take on greater operational responsibilities in recent months.

Mr Armour, 41, was an adviser during the merger of Reed and Elsevier and then led the PW team auditing and carrying out other accounting services for the company.

Mr Irvine, previously deputy chairman, oversaw a period of consolidation at Reed Elsevier following Mr Davis's abrupt resignation. Mr Davis, now chairman of Prudential, the insurance group, was to have become sole chairman of the combined group but stepped down over a clash over his role with fellow members of the company's executive committee. He later received more than £1m in compensation.

Last year, Mr Irvine's pay rose from £630,700 to £725,700, including a £225,700 performance-related bonus.



Nigel Stapleton: Picked to succeed Ian Irvine

on 2 July, will continue as deputy chairman of Reed International until next April, when he will become chairman of the company.

Mr Irvine, who became co-chairman of Reed Elsevier following Peter Davis's acrimonious departure in 1994, said: "I have enjoyed my two years as co-chairman of Reed Elsevier, during which time the business has made excellent progress."

Mr Stapleton, 49, whose wife is Dutch, has been chief finan-

IN BRIEF

• Barclays made £61m on the disposal of a 3.4 per cent stake in venture capital group 3i. Yesterday the bank sold 20 million shares in 3i at the ex-dividend price 450p, raising £90m gross. Barclays continues to hold 2.1 per cent of 3i's issued share capital.

• GKN bought the outstanding 34 per cent in its Spanish subsidiaries GKN Transmisiones Espana and GKN Ayra Durex for £52m from minority shareholders. The deal, to be paid from existing cash resources, means GKN has total control of all the Spanish firms in its automotive driveline and service arm.

• Conrad, the Manchester-based leisure group that owns the Bobby Charlton soccer business, said it had requested financial information which may or may not lead to an offer for Leeds United, the Premiership football club. Conrad's shares were suspended at 5.25p pending a further announcement.

• Great Portland Estates is making its first investment in leisure park development with a £25m venture next to the Ashford junction of the M20 in Kent. The property company also announced two other, unrelated deals worth £23m in Bristol and Sheffield.

• Compass has finally bought a 33.3 per cent stake in Euret France from French group Sodexho for a total of £76m, ending a year of uncertainty for the British hotelier and caterer.

• National Express will introduce a fleet of buses powered by compressed natural gas on an urban route. It has ordered 14 new Volvo gas-powered buses for its subsidiary, West Midlands Travel, at a total cost of £2m. The buses will be introduced in 1997.

• The Bundesbank sees faint signs of recovery in the German economy. There were "definitely some rays of hope", the bank noted in its monthly report, including an increase in export orders thanks to the correction of the mark's overvaluation. It added there were no signs of inflationary pressure.

• Lufthansa shares fell sharply on a German newspaper report that the airline posted an operating loss of DM 200m (£85m) in the first five months because of poor sales and heavy competition.

• Volkswagen recalled 950,000 cars world-wide to carry out checks on their cooling systems. The models affected are 1.3L Golfs and Jetas built between 1983 and 1989, and Passat and Corrado models with four cylinder motors built between 1988 and 1989. The recall will cost VW about DM100 (£43) a car.

new company

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new name

new ideas

new colour

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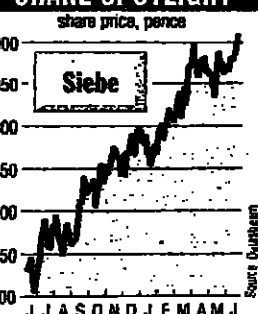
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4462.2 -2.4
FT-SE 350
1901.1 +2.9
SEAQ VOLUME
712.2m shares,
31,247 bargains
Gifts Index
92.20 +0.16

SHARE SPOTLIGHT



New fans end Glaxo Wellcome's stint in isolation ward

Glaxo Wellcome's stint in the stock market's isolation ward seems to be over. In busy trading the shares gained 20.5p to 887.5p, making a 65p advance in a week.

A variety of influences have combined to invigorate the market standing of Britain's largest drug group. The latest buzz is that the group, which already embraces the Retrovir Aids drug, is about to disclose positive Phase II results on another, more impressive Aids treatment.

With two securities houses, NatWest Securities and Société Générale Strauss Turnbull, making encouraging noises, a US business publication waxing eloquent and a successful US investment presentation last week the Glaxo fan club is back in full voice.

Steve Plag at Barclays de Zoete Wedd described Glaxo as 'fundamentally the cheapest' of the big drug groups in

a research circular published last week.

In February Glaxo shares reached 950p. They then drifted lower, before perking up in recent weeks. It was not, however, cheer throughout the drug sector. British Biotech fell 123p to 2,575p and Amersham International gave up 15p to 995p.

The rest of the market managed a modest headway with the FT-SE 100 index up 7.9 points to 3,761.5. Second-line shares were mostly weak. The Manchester bomb created havoc for securities houses based in the City with many traders forced to rely on their mobile telephones. Some firms, with branch offices outside the City, could still process deals but those without facilities in other centres were severely handicapped. Fittingly, Vodafone, on James Capel support, gained 3.5p to 246.5p.

A few takeover rumours made a contribution to the proceedings. Carlton Communications rose 13p to 528p on talk of a US bid and the theory there could be an outbreak of corporate activity among department stores lifted House of Fraser 5p to 184p.



MARKET REPORT

DEREK PAIN

Stock market reporter of the year

made a contribution to the proceedings. Carlton Communications rose 13p to 528p on talk of a US bid and the theory there could be an outbreak of corporate activity among department stores lifted House of Fraser 5p to 184p.

Sears, said in some quarters to be looking to expand its department store operations, was unchanged at 104p.

Siebe, the engineer, added 19p to 907p; its US investment roadshow is under way. Thera EMI slipped 15p to 1,810p as presentations on its demerger continued.

about its ability to hold its dividend if the confrontation with the industry regulator becomes even more bruising.

The 74.5m bid for Goldborough Healthcare sent the shares surging 55p to 174p with hostile bidder Westminster Healthcare off 4p at 314p. Hopes of further takeover activity in the sector lifted Ashbourne 4p to 153p.

The investment group, 31, fell 9p to 448p as Barclays cut its shareholding, raising 561m. It sold 20 million shares - 3.4 per cent - at 450p, cutting its stake to 2.1 per cent. Last week National Westminster Bank sold its 17.7 per cent interest at 445p, producing

£464m for its already overflowing coffers.

In January Midland Bank, part of HSBC, unloaded its final 5.3 per cent shareholding and last year four banks, including the Bank of England, disposed of 21 per cent. At one time 31 was owned by the clearing banks and the Bank of England.

The Russian elections provided a modest boost to shares with links with the old Soviet Union. JKC Oil & Gas gained 2p to 184p and FNR, which has logging interests, 3p to 42p.

Land Improvement, one of Britain's largest rural landowners with a portfolio of 27,000 acres, arrived via an introduction, closing at 132p.

Viewson, providing information systems to hotel guests, gained 20p to 575p as a story circulated it was near to clinching a deal with a big US hotel chain. There is also talk the company is about to hold its

first investment presentation. Rye, the curtain tape maker, held at 60p. Pilot Investment Trust, one of the trusts specialising in smaller companies, has picked up a 9.15 per cent stake.

Surrey Free Inns fell 25p to 275p as Regent Inns seemed disinclined to add to its 6.6 per cent shareholding. Last week when Regent was apparently seeking out SFT sellers the shares touched 310p.

Coral Products, which has added to its packaging range, put on 4p to 87p. Its stockbroker, Collins Stewart, is looking for profits of £1.6m for the year ended April. In the previous year the company produced £1.2m.

On Offer the Skynet Corporation, placed at 27.5p earlier this month, added another 15p to 170p. It is developing a system to provide information, rescue and safety services for mobile telephone users.

TAKING STOCK

Columns, a travel publisher, is expected to receive a rapturous reception when dealing gets underway today. The company, formerly the Carnell publishing and direct selling concern, is the latest offering from entrepreneurial investor Nigel Wray. His Barford property group intends to distribute its 43 per cent of Columns among its own shareholders in an exercise reminiscent of Burford's handing out of Trocadero shares. Carnell was suspended at 27p last month.

Libernet should also make a strong debut today. There is talk the shares could trade up to 130p against the 100p flotation. The company needs the £10m raised through the placing to roll out a national network linking computers with faxes, telephones and videos. Its system is now run at a local level.

Alcoholic Beverages

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Banks, Merchant

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Banks, Retail

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Breweries, Pubs & Rest

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Building/Construction

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Chemicals

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Electronics

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Engineering Vehicles

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Extractions Industries

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Food Manufacturers

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Gas Distribution

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Health Care

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Household Goods

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Insurance

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Investment Companies

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Investment Trusts

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Leisure & Hotels

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Media

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Pharmaceuticals

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Printing & Paper

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Property

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Retailers, Food

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Retailers, General

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Support Services

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Telecommunications

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Textiles & Apparel

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Transport

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Water

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Wine

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

Yachts

Stock	Price	Chg	Ytd
Barclays	10.00	0.00	0.00
HSBC	10.00	0.00	0.00
NatWest	10.00	0.00	0.00
Societe Generale	10.00	0.00	0.00

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, including exceptional items.

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Market leaders: Top 20 volumes

Stock	Vol	Stock	Vol	Stock	Vol	Stock	Vol
Barclays	40000	General Elec	60000	FI	60000	Mar & Spencer	50000
Shell	15000	BT	60000	British Gas	60000	MFI	40000
BT	60000	Sea Containers	60000	Electricity	60000	Guinness	40000
BT	60000	Vodafone	60000	BT	60000	Heron	40000
BT	60000	ASDA Group	60000	Roll Royce	60000	Royal Insurance	40000

FT-SE 100 Index hour by hour

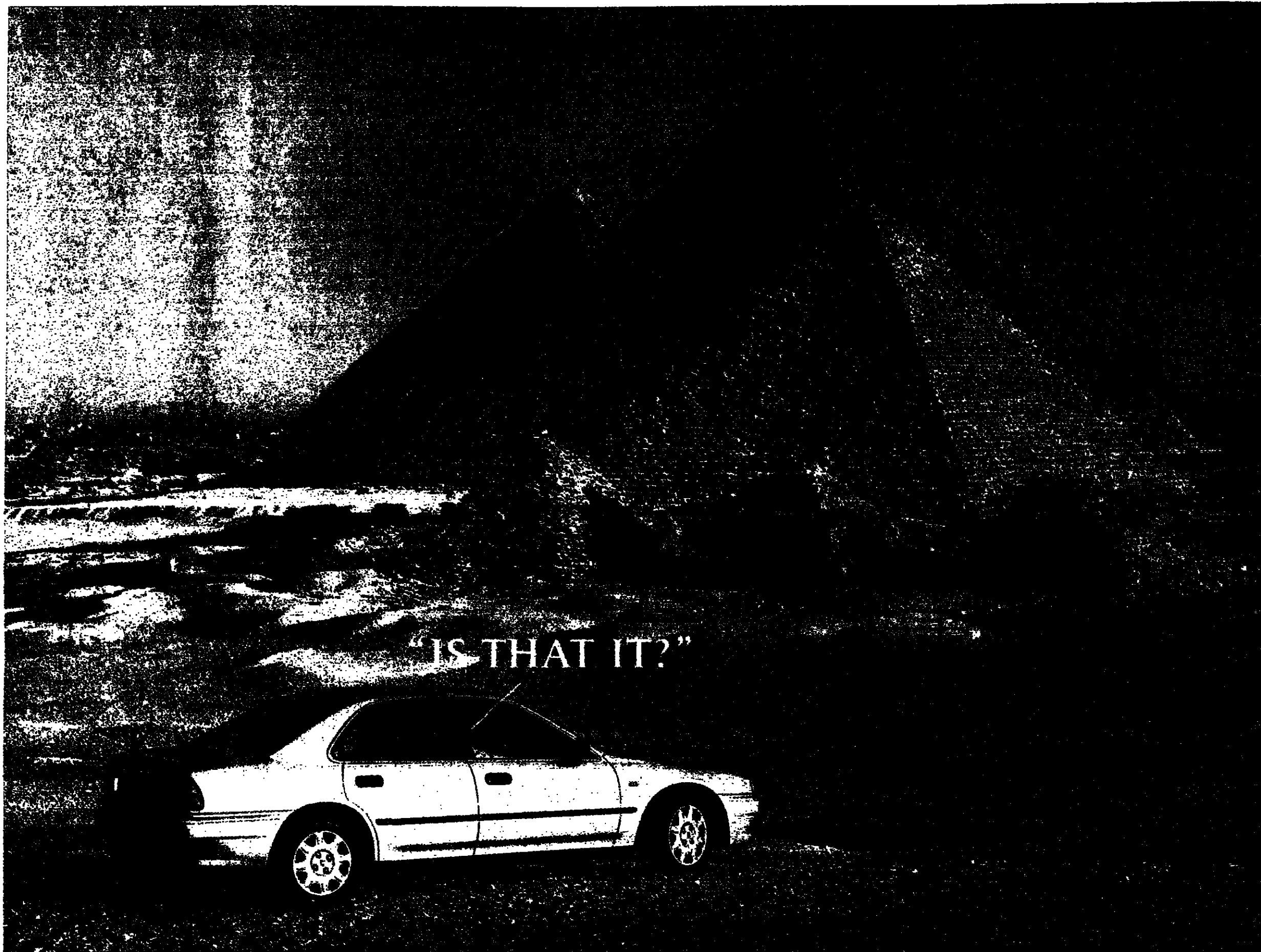
Open	High	Low	Close
09.00 3750.0 up 2.5	11.00 3762.5 up 11	14.00 3763.5 up 47	
09.30 3750.0 up 2.5	11.30 3763.7 up 11	15.00 3767.1 up 45	
10.00 3762.2 up 13.6	12.00 3763.7 up 11	16.00 3767.1 up 45	
	13.00 3763.0 down 0.6	17.00 3765.1 up 7.9	

Oil Exploration

Stock	Price	Chg	Ytd
Beck's	10.00	0.00	0.00
Carlsberg	10.00	0.00	0.00
Heineken	10.00	0.00	0.00
Stout	10.00	0.00	0.00

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A SPECIAL REPORT FLEET & EXECUTIVE CARS

John Blauth introduces this four-page special report on the revitalised company car market, which is showing 7 per cent growth

The fleet car market sales again

It was a Labour government that established the company car as a major force in new car sales and a significant aspect of employee remuneration. If the signs are accurate, it will be a Labour government that will attempt to curtail the phenomenon – against the massed will of most of British business, the entire motor industry and about five million car drivers and their families.

When wage restraint in the early 1970s prevented employers from increasing staff rewards properly, the concept of the company car as a perk, rather than merely working tool, was born. Today, company cars account for up to 60 per cent of all new cars sold in the UK and the associated business they generate for the industry that supports them (leasing companies, tyres, servicing) is worth in excess of £3 billion per year.

In 1995, according to figures supplied by the Society of Motor Manufacturers and Traders (SMMT) the business car market rose by 7.3 per cent with total sales of 1,032,106 units and started the climb back to pre-recession totals. This figure covers all fleet (25-plus cars) and business (all other tax-offer trade) sales. Fleet and business sales for the first five months of this year show a healthy increase over 1995 of five per cent and a market total of 66 per cent in May alone. These figures indicate clearly that the oft-predicted demise of the company car is much exaggerated.

As more and more companies reduce peripheral staff – and then promptly re-hire them as self-employed contractors, so the actual number of fleet sales has fallen and the number of tax-offer sales has increased. Essentially these are to private individuals whose costs are borne by the companies for whom they are working.

Another area of growth is regeneration. The average fleet car, by early 1995, was worn out. So many companies had extended time and mileage replacement intervals, to put off the expense of new car acquisition that when they really had no choice but to replace, it caused a bulge in market statistics – and consequently in the used car market as well.

Demand for high-calibre staff is also stimulating the need for new executive cars. Generally, UK personnel still insist on company cars as part of their remuneration packages despite heavy taxation of 35 per cent of the car's price, on which sum an employee will pay tax.

Changes in VAT accounting rules last August have also put some steam back into the market, but the signs of political faith that are needed to sustain growth are lacking – largely as a result of the disproportionately loud anti-car lobby. The motor industry, unsurprisingly, denounces these critics. But so do all car drivers by virtue of action. Over 80 per cent of all journeys in the UK involve the use of a car – and that includes those areas where public transport is a viable alternative (such as the cities of Newcastle and Sheffield).

We like our own private transport; car ownership statistics show growth year-on-year every year. Company cars are part and parcel of that growth and merely allow the physical expression of it to manifest itself in larger and more expensive machines than one might buy with one's own money.

But more and more company cars cause more and more pollution, claim the "antis"; quite the reverse says the industry – as the vast majority of company cars are under three years old they are all fitted with mandatory catalysts that reduce noxious emissions. It is clapped out private



Business car market: sales are starting to climb back to pre-recession figures of a million plus a year

cars that are the cause of our poor air problems – and all poorly maintained diesel vehicles which, tragically for the pro-public transport lobby, seems to include nearly every public transport bus!

The brief flurry of staff wanting the money instead of their company cars has also ended. Industry-wide reports

indicate companies which have given employees cash in lieu of their cars are now finding those same employees wanting their company cars back.

It is mainly because they hadn't budgeted for the initial cash outlay required to buy their own cars – when people give up company cars they don't give up cars *per se* – and

for the cost of servicing, especially if they thought that they would save money by buying older cars. For those who thought they could get as good deals as fleet buyers, the truth is that they couldn't.

Private buyers generally have little or no idea about the costs involved in owning and using a car and the reality came as a

huge shock to employees choosing the cash option. The return to the fold has led to some of the increased fleet business seen this year and last.

The large fleet discounts of recent years have fallen away quite sharply. Where 15-to-18 per cent was the norm, today fleet buyers expect no more than eight per cent and the

massive discounts demanded by the short-term rental companies are no longer available.

Most car manufacturers have got their supply and demand calculations sorted out and as they now work at least on a par-European (if not global) basis, there simply aren't fields of unsold cars anymore that need to be shifted at any cost.

This, in turn, has had a positive effect on the used car market, strengthening residuals and giving fleet managers better whole-life costs.

Companies traditionally on the fringes of the fleet business (effectively anyone who isn't Ford, Vauxhall, Rover or Peugeot) are also enjoying these market sector spin-offs. As drivers are given ever more choice to decide what cars they want to drive, so more and more Renaults, Fiats, Citroens and Twos are to be seen, especially as they no longer have to prove anything when it comes to quality, reliability and whole-life costs. The top five sellers for the year to date, though, the Ford Escort, Mondeo and Vectra, reflect either the maintenance of a conservative view or an appreciation of the inherent qualities in those products.

In either case one thing is quite clear: whatever the vote factor inherent in making anti-car statements, there is no evidence of reduced car usage either in the private or business sector. The facts are, first, that the vast majority of us prefer cars to any other form of transport; second, that the UK national car population is getting cleaner and cleaner and its trucks, buses and central heating that generate the bulk of our air pollution; third, that as the road network is revitalised congestion will ease. Meanwhile, of course, could everyone else give up driving please.

Whatever the Labour front bench says, company cars are hugely valued by the companies that give them – how else can they move salesforces around as efficiently? And by the people who receive them – as much a perk as a tea-break. Only a fool would tamper with this tradition.

Tax changes have little impact

MARTIN DERRICK

When the Chancellor agreed last August that leasing companies could reclaim the VAT they paid on acquiring new vehicles, he might reasonably have expected – as all the contract hire and leasing company submissions had promised – that at a single stroke, the company car market would start accelerating ahead. Instead, Mr Clarke may by now be rueing the day that the concession was made. For not only has the move had very little effect on sales of new cars so far, but it has also opened the floodgates to potentially highly-damaging litigation.

For three companies – the food giant Allied Domecq, the leasing company Royscot and the motor dealer group TC Harrison are taking the Government to the European Court of Justice claiming that the Government has been illegally blocking UK business from reclaiming VAT on company cars since 1973. If they win their case, it has been estimated that it will cost UK taxpayers between £10 billion and £25 billion in repaying back tax and interest.

If the Government loses the case, it is of course unlikely that the champagne will flow for long at Allied Domecq and elsewhere. For, as David Knight, Managing Director of PHH Vehicle Fleet Services comments: "The country's economy would be in complete chaos. In response, the Government would be forced to introduce some form of company car

taxation to claw back the money in as short a timeframe as possible. It is possible that a one-off windfall tax could be levied to retrieve the money.

"Although success in this case would lead to a massive financial boost for many companies which have purchased vehicles, in the medium-to-longer term these same businesses may find themselves having to pay back their windfall in another form of taxation."

Mr Knight argues that the companies have already made their point in getting the Government to review the whole VAT on company car purchase issue and that the removal of the blocking order from last August is the real victory.

So far, however, the victory is looking distinctly Pyrrhic because the move has so far had an indiscernible effect on the level of company car sales.

This time last year, senior executives from leasing and contract hire companies, supported by a voluble if not always well-informed specialist fleet press, were confidently boasting that the VAT changes would stimulate the UK's fleet market to record levels. Lower monthly rentals for company cars and would result not only in more company car sales, but also in contract hire becoming the dominant force in the industry, mainly at the expense of company-owned fleets.

"We hoped the VAT legislation would bring dramatic change, but it was a big non-event," said David Knight of



Tax confusion: the Chancellor Kenneth Clarke's decision to allow companies to reclaim VAT has had little effect on sales

PHH. "Our figures show that 55 per cent of the fleet market is unserved – the companies buy and operate their fleets entirely in-house. All the indications are that many of those companies which are currently unserved are now looking at their options. The awareness of the potential advantages of leasing and contract hire is growing."

Others agree that, while not many more companies have yet switched from buying cars outright (in which case they cannot gain any advantage from the VAT changes as they themselves cannot reclaim the input VAT), they are certainly considering the possibility. "Certainly, the VAT issue had little impact in 1995,

though it does seem to have encouraged more companies with in-house fleets to review their current arrangements," said Steve Dunn, Commercial Director of Lease Plan Limited.

Similarly, Geoff Beque, director of international and key accounts at GE Capital Fleet Services, said: "There was no floodgate in August. However, there is a growing movement towards leasing and contract hire and it is gaining momentum in the bigger fleets. We can show them potential savings that leap off the page, but in big companies it often takes time for them to look at their acquisition policies and then decide to do something about it."

Companies which have recently taken the plunge as a direct result of changes in VAT legislation are Sony Computer Entertainment Europe, Pizza Hut (UK) and the Arthritis & Rheumatism Council, all of whom recently concluded sale and lease back arrangement with GE Capital companies.

"We can tell our clients hand-on-heart that if they have a fleet of 400 vehicles that they are currently buying outright and operating in-house, we can save them £100,000 a year in VAT alone," said Mr Beque. "On top of that, we are confident that we can make further savings because buying, operating and disposing of vehicles is our core activity and we understand the business better than they can hope to. Frankly, any finance director who is not looking at these potential savings is not doing his job right."

Direct insurance is not a panacea for all

JAMES MAY

The most boring subject known to man? Clearly it is car insurance. One has merely to look at the quality of the inserts in every consumer magazine to know this to be one of the truths of the 20th century.

There is, of course, a much more sinister plot than just bad design and poor copy-writing. The machinery of insurance, like the law, tax and most aspects of house-buying, is couched in such stultifying and convoluted English, and printed in such small type, that the hapless victim is relieved to be able to hand the whole business over to some intermediary.

There's nothing really that complicated about insurance, but making it seem so keeps a great many people in work. All this, however, has been changing over the past few years. We are seeing the rise and rise of insurance companies such as Direct Line (or "direct companies"), those that deal face-to-face, or phone-to-phone, with the punter, cutting out the middle man in his stuffy high-street office and offering lower premiums. Most insurers now offer some variation on the direct idea. It would appear to be the future, but it's not quite that simple.

On the face of it, the direct route does not seem very competitive. The whole point of a brokerage is that one-or-two experts can shop around on your behalf for the right policy

for you, as they would put it. Yet according to the Association of British Insurers, a fully comprehensive policy for a given driver in a given car is not going to vary greatly – only in details such as size of excess, the degree of assistance given in the event of a claim and the amount of commission. As this can make up 15 per cent of a premium's cost, direct companies are in fact instantly competitive.

Of course, not all commission is profit, there are running costs to take care of, and direct companies have these too. But they enjoy another advantage here. They tend to be new organisations, with cheaper out-of-town locations and economies of scale. They also benefit from the efficiency that stems from new computer systems.

Throw in over-fierce competition between the growing number of direct companies, and things start to look very rosy for the insurance shopper.

In fact, according to the ABI, car insurance is currently at a very cheap ebb. Its "Mr Average", a fictitious mature motorist with maximum no-claims and a suburban garage, created for the purpose of market monitoring, would currently pay £365 for fully comprehensive cover on his 1300 family saloon. That's his lowest premium since January 1992. A levelling off of car

crimes and a reduction in accident claims (which account for about 80 per cent of insurance money paid out) have helped

tremendously, not least because of the far greater number of security add-ons in use. But the phenomenon of direct insurance undoubtedly has much to do with lower premiums, and the ABI advises buyers to shop around ruthlessly. All you need is a phone and a notepad, after all.

But direct insurance is not the panacea it would appear. One of the most significant factors in its success at keeping prices low is that the companies concentrate on covering "normal" drivers in mainstream cars, which is, after all, most people. Some are establishing more specialised arms – Direct Line again, with its Privileges operation for performance and expensive machinery – but ring one with a personal import, modified car, classic car or with tidings of terrible convictions, and you will probably be sent packing.

For that reason, says the ABI, "there will always be room for specialist brokers", the real experts prepared to scour the tiniest nooks of the market for underwriters prepared to take on unusual risks, sometimes on a one-off basis. So the rules of engagement are as follows: mainstream car, uneventful driving history – tout around the direct insurers; unusual car or more colourful circumstances – it's back on the high street with your dictionary and magnifying glass. It's not as complicated as it may initially seem.



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FLEET & EXECUTIVE CARS

Motoring rewards are part of the top job

JOHN BLAUTH

The primrose path that used to include Elton, Cambridge and The Guards is now a corporate route which is of business schools and MBAs rather than interesting qualifications in classical texts. But achieving elevation to the holding company boardroom invariably still includes some pretty high-powered motor trading as well. Along with a variety of aspects of the total remuneration deal, a really tasty car is an integral part of the package.

Year after year, throughout Europe, surveys of directors' rewards include an expensive car. Invariably one that few people would incline towards buying with their own money, purely because of the cost.

You might think it would be easy: here's £35-40,000 go buy yourself a car. In fact, it's a fairly vexing question as to what would look best bearing in mind one's position and outside perception. Should you go for the gravitas of a Mercedes, the calm opulence of a Jaguar, the thrust of a BMW – or something completely different?

Dare you break the mould of

executive choice and stand out from the ranks with a sporting Lexus? Having politicked and plotted to achieve the great heights, you now need to keep your wits about you at all times to maintain your image. And image is the key to this end of the market – your metal overcoat says more about you than your designer tie ever can.

Popular image thinking is that a Mercedes is about having a BMW about doing a Jaguar about owning (old money) – but what's a Lexus all about? It's quite classless, extremely well engineered and built and possessed of every option a car could ever want. Designed in Italy by Giorgetto Giugiaro, it was originally intended to be the new small Jaguar. Coventry decided it didn't want it but Tokyo did and it became the GS300 Lexus instead – a huge hit in the States and now available here as a stablemate to the much larger and grander LS400.

It's all yours for £36,820 and for that you get one of the smoothest three litre straight six engines in the world; a wonderfully refined four speed automatic transmission, leather, air

conditioning, CD player and stereo with more speakers than a Fleetwood Mac concert. No options available or necessary.

What you don't get is fawning service – because the Toyota dealer won't be used to discriminating between you, who must not be kept waiting and the bloke down the road and his eight year-old Starlet. The Lexus is, in short, a great car for anyone who wants great technical attributes, endless reliability and wishes to remain democratic.

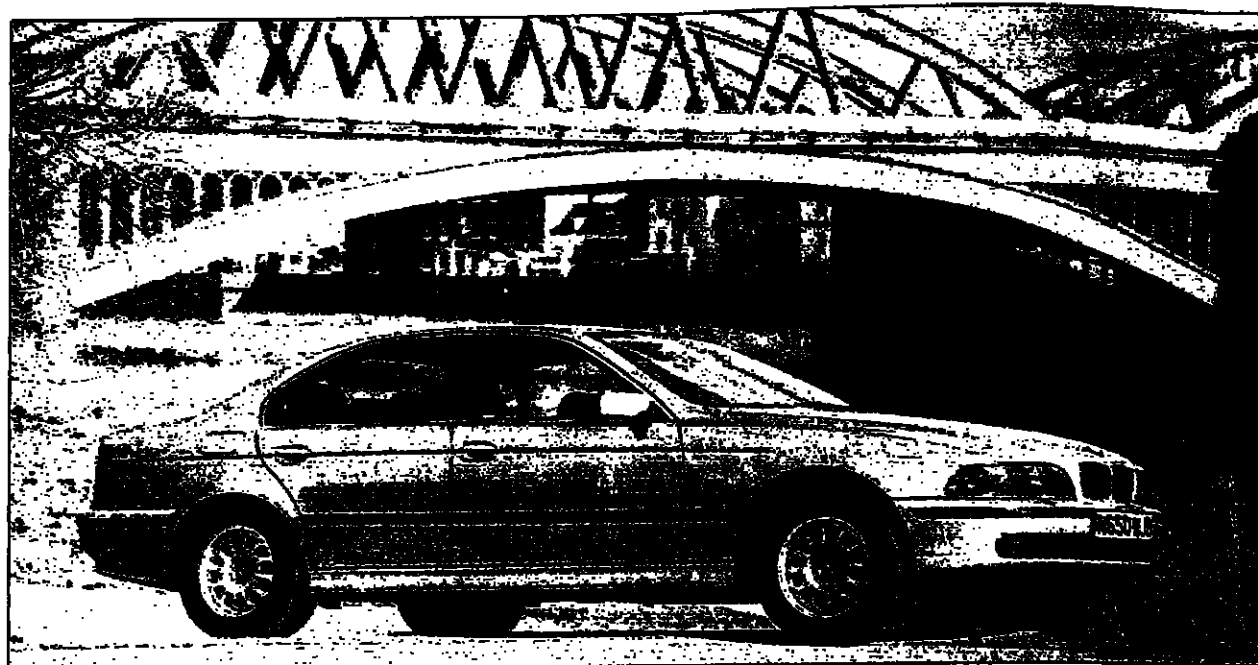
The comparable Mercedes, on price at least, is the E230. With auto box, leather, metallic paint, air-conditioning and decent sound system it will cost around the same but for all of its space, comfort and faultless dynamic qualities, it is noticeably slower and the four cylinder engine is sluggish and rough in comparison. Happily there is a revised engine coming soon – a 2.4 litre – which is expected to generate sufficiently more torque to overcome the response side of the problem. For a complete solution you will need the 2.8 litre though and that will require some devilish cunning when

negotiating with the finance director as to what your spending limit actually is.

In many ways Mercedes is arguably the first choice of the corporate world. There is no better marques for turning up to summit meetings in; consequently, there are few business customers who don't seek a similar feeling. Interestingly, in this rarefied market sector, since the start of this year only Mercedes' sales are up on the same period in 1989.

The BMW 5 series, recently launched to adulatory praise from the specialist press, is as close to being the best car in the world in this class. The 528i is the comparable model, costing £29,930 on the road. Increase its level of accoutrements to the same spec level as the Lexus and the price rises to £35,700.

It's an order of magnitude better than the car it replaces – for two main reasons: first you can now fit four full grown adults in it without pain – and keep them there for longer. Second, it handles and rides impeccably – it's virtually vice-free in every dynamic department. But for an even better deal you can buy the same



BMW 5 series: launched to adulatory praise from the specialist press

engine in a 7 series body – the recently announced 728i which costs £35,850. This is a noticeably slower, but considerably roomier car and something of a well-kept secret.

The Jaguar is something very different. It oozes class in a way that the others just do not and yet it is a car flawed in one vital area – interior space; unless you buy the long-wheelbase version. The 3.2 LWB falls into the price category yet, to many eyes, the proportions

are wrong and you could look as though you're driving something borrowed from your chauffeur.

The engine is super smooth and the normal suspension settings are as refined as any Jaguar owner could demand, but there is no escaping the fact that it is old-fashioned, and that the interior is very dated.

The market sector into which these cars fall is very small, accounting for fewer than 15 per cent of all new car sales

overall. As an air of puritanism seeps into corporate life and the rewards that go with long hours, stress, pressure and early by-pass surgery are increasingly questioned by staff and shareholders alike, many directors are foregoing some outward signs by making their consumption less conspicuous.

During the recession many Jaguars, Mercedes and BMWs became Ford Scorpios and Vauxhall Omegas. Today, larger and more opulent executive

cars are back on the menu. But making a choice from the cars listed above depends purely on personal choice. They're all excellent cars and all have a different style. Only one offers envy limitation though, and that's the Lexus. By its lack of any strongly perceived image, it manages to offer all the creature comforts without attracting any opprobrium from interested observers. A safe and happy choice then – but what does that say about you?

Manufacturers put a big effort into small cars

MARTIN DERRICK

For many people, smaller cars make good sense. Corporate man or woman pays less benefit-in-kind tax on a less expensive car; the chances are that fuel and servicing costs will be lower; insurance almost certainly will be reduced. There may even be an element of self-satisfaction in the knowledge that a small gesture is being made towards reducing congestion (in size, anyway) on the roads.

The downside is that until comparatively recently, choosing a smaller car almost invariably involved sacrifices and compromises that went well beyond the issue of sheer size. Very often, power steering, automatic transmission and air conditioning were simply not available on smaller cars. Less refined suspension systems meant a bumpy or choppy ride. And a basically designed engine of 1.0-litre or 1.2-litre capacity was likely to thrash and howl if asked to do any more than pootle down to the shops.

The Citroën Saxo, launched last month, shows just how far automotive design has moved on. Firmly targeted at the supermini sector (which includes competitors such as the VW Polo, Fiat Punto, Ford Fiesta and Rover 100), the Saxo offers levels of safety, comfort, refinement and all-round practicality that until now were only available in larger and more expensive cars.

Every car in the range has side impact beams, seat belt pretensioners and a driver's airbag as standard, with ABS available as a relatively inexpensive option, so safety levels are at class-leading standards. The Saxo is not the largest car in its class – both the Fiat Punto and VW Polo offer more passenger space, particularly in the rear – but it does have the biggest boot area, which is more than adequate for carrying the all-important golf clubs. But best of all, the Saxo does not drive like a small car. Its suspension provides ride qualities associated with much larger cars; the engines – and most particularly the 1.1-litre unit – are responsive and above all quiet; road and wind noise is kept to a minimum – in short the all-round comfort levels are astonishingly good in a car of this class.

Later this year, when the range is expanded to include automatics, diesels, and a 1.6-litre sports model, there will be plenty of Saxos to choose from – and all except the base 1.1-litre units will have power steering as standard.

With the range starting at £7,350 on the road, the Saxo isn't even expensive – in fact, it looks tremendous value for money. What it proves is that it is possible now to buy a relatively inexpensive small car without making sacrifices.

All of this is not to say that the Saxo is perfect. Smaller cars do involve compromises, particularly for taller drivers, who may find headroom restricted by the sunroof, and feel that the steering wheel is set too low.

But what it does show is how much effort manufacturers are now putting into improving

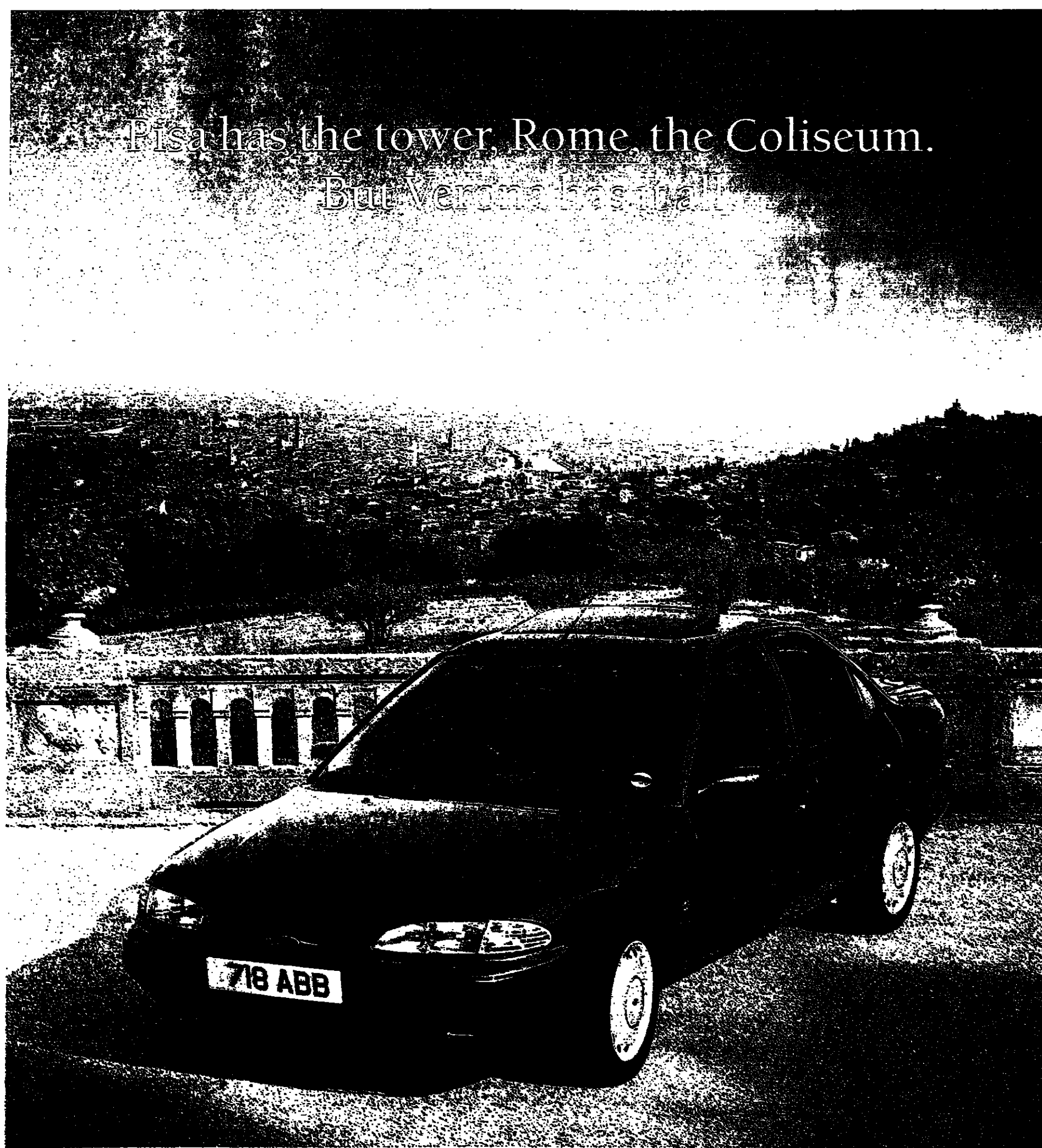
smaller cars – and Citroën is not alone in this respect. Ford recently restyled its Fiesta, installed new Zetec engines and revised the chassis of the car – and in doing so transformed what was frankly an uninteresting design with indifferent ride and nasty engines into perhaps the best in the class. Those who feel the Ford badge is too closely associated with the mass market can instead choose the mechanically-identical Mazda MJ, which is equally as impressive but offers a little more exclusivity. Volkswagen too, with its latest Polo, has produced a stylish and well-built small car which has already built up a strong following, despite being rather expensive compared to others on the market.

Motor industry analysts predict a massive swing in demand from large to small cars and as a result every major manufacturer is involved in a desperate race to bring even smaller cars to the showroom. Fiat and Renault have lead the way. Fiat with its very likeable Cinquecento and Renault with its distinctively styled and chic Twingo – which unfortunately is not available in right-hand drive as part of its design parameters was to ensure it was as inexpensive as possible to manufacture. So, building every single car the same offers economies of scale and means UK introduction.

Both the Twingo and the Cinquecento – the latest version of which is a derivative of the Cinquecento Sporting which reintroduces the famous Abarth badge – are positioned below the supermini class, and it is here that Ford will launch its Ka?? later this year. Smaller and cheaper than the Fiesta, it nevertheless promises to offer equivalent safety and comfort levels. Vauxhall, Volkswagen, Toyota and others are also expected to launch mini cars in the not too distant future, and Rover has also announced that a successor to the evergreen Mini is also on the way.

Even mighty Mercedes-Benz is involved in this rush to "downsize". Later this year it will introduce its A-Class car, which it frankly admits will be more expensive than most superminis but will put the M-B star onto a small car for the first time. It is also involved with the Swatch company in the development of the Smart, a multi-fuel car designed for urban use. Audi will launch its A3 Golf-sized car this autumn, again bringing the company into a smaller market sector for the first time, following BMW's lead in launching the Compact hatchback a couple of years ago.

As new manufacturing techniques make building smaller cars profitably a serious possibility, so more manufacturers are seriously addressing the possibilities. Not least because all European car makers have a lurking fear that the EU may one day attempt to reduce pollution levels by limiting, via punitive tax measures, engine size or even car size. Should that happen, we may all be forced into smaller cars. Until then, we can take heart in the knowledge that today's small cars are no longer half bad.



To comprehend quite how much Verona has to offer, there's no substitute for being there, walking its historic avenues and slowly absorbing the atmosphere.

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Europe faces severe threat from Pacific Rim

MARTIN DERRICK

The Western European car market faces a sustained period of low growth and the European car makers are seeing increased competition from both the Japanese and Pacific Rim countries over the next five years. The result is that the weakest car makers in Europe – Porsche, Volvo and Mercedes-Benz will all have to seek partners or parents if they are to survive. A further three of Europe's major car makers will have to make major strategic changes if they are to survive independently – PSA (Peugeot/Citroën), Renault and Fiat, each of which remains overly dependent on one market.

That's according to the latest *World Car Forecast* report from the Economist Intelligence Unit which predicts a massive increase in production in the Pacific Rim – from countries such as South Korea and Malaysia, but also Thailand, possibly Indonesia and certainly, given time, China and India – and also increasing market share by the Japanese.

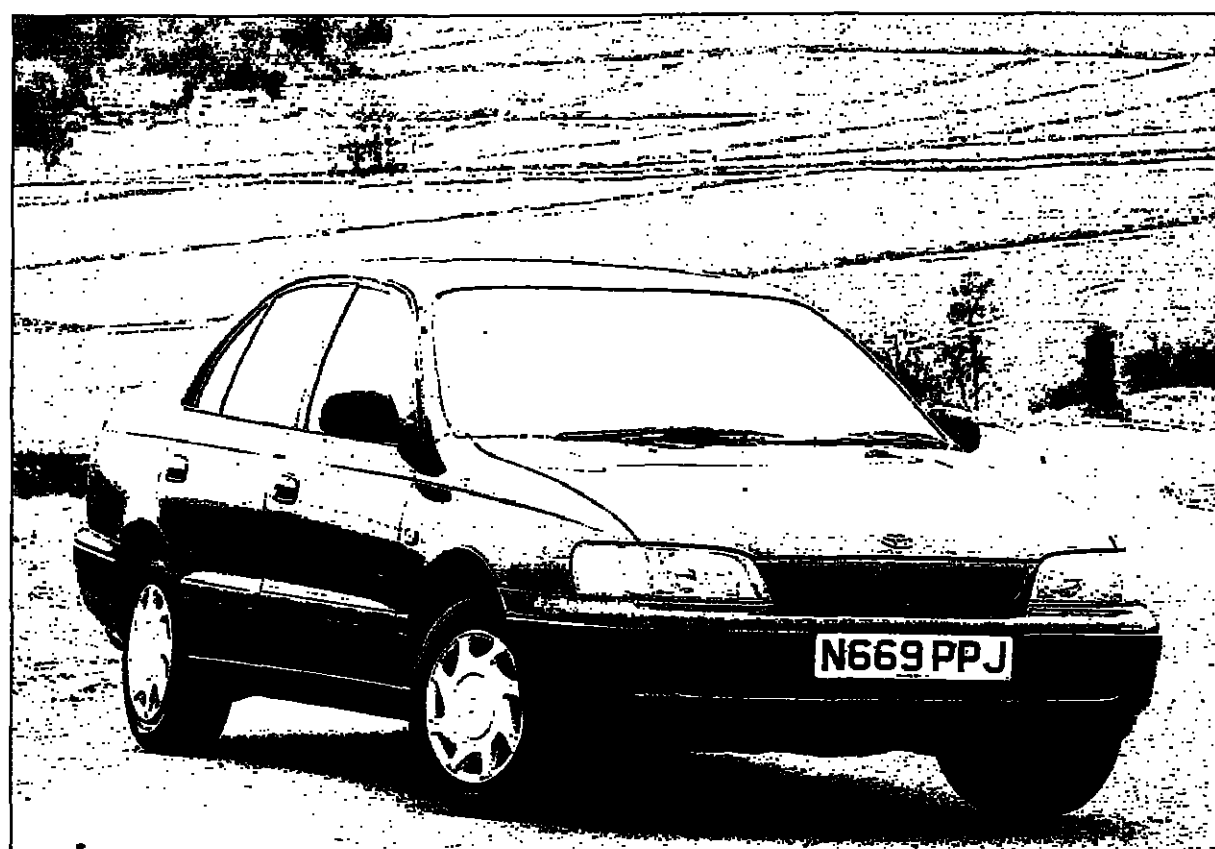
In Europe, the report predicts, the Japanese will increase their share from 11 per cent to 14 per cent by the end of the decade, much of this supplied from plants in Britain and elsewhere on the Continent.

Although companies such as Toyota try to claim the moral high ground, saying that they wish to be model citizens, building cars and sourcing parts in each of the markets in which they are active, in truth this is

no more than enlightened self-interest. When local production is necessary in order to penetrate a local market, or when it is more cost effective than exporting cars from factories back in high-Yen Japan, or even – as is the case in Europe – where quotas restricting imports also frustrate the company's volume aspirations – then it will invest in local production.

In recent years, Toyota, Nissan and Honda have all set up shop in the UK building volume cars – the Carina E, the Mira and Primera and the Accord respectively. All, incidentally, have announced plans to increase UK production and add new models – Toyota the Corolla and probably the Starlet as well, Honda the Civic and Nissan an unspecified third model, likely to be the Sunny. Nissan also builds 4x4s in a joint venture with Ford in Portugal; Toyota builds pick-ups in with Volkswagen in Germany; Suzuki builds 4x4s in Spain and small hatchbacks in Hungary; and the latest newcomer to Europe is Mitsubishi whose joint venture with Volvo in Holland is now producing cars for both markets.

For the Japanese, European production obviously involves considerable inward investment. But it has three key advantages: first that the output is free of all quotas and so they can freely sell as many units as is possible; second that in some cases – despite lower productivity in plants have to bear.



Toyota Carina: Japanese manufacturers, including Toyota, have become part of the European manufacturing base

At the start, cars built in

Japanese-owned factories in Europe were conceived, designed and engineered in Japan and simply screwed together over here. And so, unsurprisingly, the early cars – such as the Nissan Bluebird and the Toyota Carina E were unexceptional cars, designed to be

inoffensive to as many people as possible rather than to shine in any particular way.

But very shortly after the production lines were installed, European design and engineering departments were set up – and these are beginning to make their presence felt.

Nissan's new Primera, due to be launched this autumn, has been largely re-engineered by European staff who better understand the needs of European consumers.

Similarly, Toyota in Europe has high-quality design and engineering departments in

Brussels and in the UK which are not only significantly improving the cars that Toyota sells in Europe, but are also closely involved in the conception and design of all-new models. An example is the MRJ sports car concept which was the star of Toyota's stand at last year's Tokyo Motor Show and which is widely expected to go into full production in due course; although it was not acknowledged in Tokyo at the time, it was wholly developed by the European team in Brussels.

There is little doubt that the Japanese newcomers to Europe – such as Mitsubishi, whose Carisma model is now built at the NedCar plant in Holland – will also develop local R&D teams.

It is a lesson quickly learned by perhaps the hungriest – some would say most voracious – car building nation today. South Korea, Hyundai, Kia and Ssangyong are all now selling cars in Europe and all have ambitions to sell more. But the most astonishing newcomer of all is Daewoo, which swept into Europe a couple of years ago on the back of an unprecedented investment campaign. In the UK the company decided to do without a traditional, independent dealer network and instead opted to invest in a wholly-owned network of what it calls Daewoo Motor Shows rather than dealerships.

Daewoo recruited European designers and engineers to develop its next generation of

cars, bought AID, the British design company, bought a large stake in Steyr-Puch, the Austrian 4x4 and specialist vehicle manufacturer, acquired a majority stake in FSO, the Polish car maker and also made strenuous attempts to buy Lotus, the British sports car manufacturer. Company executives refuse to discuss either when it expects to see any sort of return on its investment, nor even when it expects to move into trading profit, but in the early days the massive investment seems to be working wonders because Daewoo has quickly established itself across Europe and in the UK is the fastest-growing franchise yet witnessed in the car industry.

That Economist Intelligence Unit report suggests that further rationalisation of Europe's motor industry is now inevitable in the face of this sort of competition. But looking a little further ahead, we truly haven't seen anything yet. Car production in South America is predicted to see spectacular growth by the turn of the century and other nations in South East Asia are not going to let the opportunity for achieving industrial growth go begging, so output will also increase in the Philippines, Indonesia, Thailand, Vietnam and Malaysia. And then, whatever these countries achieve, both India and China are likely in time to eclipse them.

Life is certainly not going to get any easier for car makers in the mature markets of Europe, North America and Japan.

Consumer indifference threatens the mid-market

MARTIN DERRICK

Something is rotten in the state of the British motor industry. New car sales are largely stagnant and many of the major manufacturers are losing money heavily – Ford recently announced losses of £213 million for 1995 and Rover a deficit of £148 million. Yet such is the level of competition in the marketplace that these same manufacturers are having to invest ever increasing sums in upgrading their factories, improving their sales networks and developing new cars – Ford is to invest £2.6 billion in the UK alone and Rover's owner BMW has committed

itself to investing £500 million a year.

But more worryingly for the manufacturers are increasingly vocal calls for them to reduce the price of new cars. Earlier this year a group of franchised dealers visited the USA and came back demanding an immediate 20 per cent cut in UK car prices. Prices are far too high in the UK, they argued, and this was driving consumers into the used car market.

Research by Sewalls International confirms that new car price increases continue to outstrip wage inflation.

The manufacturers' riposte is that new cars are more expensive because they are

increasingly sophisticated. But whether or not cars are too expensive may be to miss an even more important point. The industry is geared up to produce and sell more than two million cars a year in the UK – and registrations certainly approach that figure each year.

However the reality is that the market is probably no more than 1.5 million units a year. Motor industry sources suggest that at least 400,000 cars a year are self-registered by manufacturers eager to maintain market share, and substantial numbers are sold to daily rental companies and major fleet operators at massive discounts.

Most of these cars are sold

as "nearly new" at prices well below list and, according to Arnie Fenn, chief editor at *Glass's Guide*, the motor trade's "bible" of used car values, it is this reduced price that is the car's true value in the eyes of the private buyer.

The industry self-registered far too many cars for far too long. At first the practice merely distorted the market, but given time it started to alter it fundamentally. The major manufacturers are now ensuring that rental cars do not come onto the used market until they're six months old to try to persuade more people to buy new. But it is folly to think that private buyers are going to

flock back into the showrooms to buy new for so long as they know there are literally thousands of nearly new cars available at huge discounts," he said.

Consumers have become more price conscious, so brand loyalty is slipping, and in turn manufacturers are increasingly advertising "the deal" rather than the car.

There are exceptions, of course. Peugeot's recently introduced 406 is positioned in its advertising as an above-average car because "there's no such thing as an average person". The Citroën Xantia comes with a hydropneumatic suspension that gives it an executive-class ride.

The class-leading Ford Mondeo is likewise an impressive all-round performer. Other contenders in the middle-ground include Vauxhall's Vectra, the Renault Laguna, and the Japanese offerings – the Honda Accord, Nissan Primera and Toyota Carina E.

The Vectra has failed to set the market alight since its launch last year and Vauxhall is now losing market share despite the company's inroads into the fleet sector. Renault's share has also dropped marginally this year despite offering 0 per cent finance on all its models. The Primera and the Carina E may not be the most exciting cars on the market, but

they offer unrivalled reliability. The Accord offers smooth and responsive engines and a finely balanced chassis.

In fact the prospective buyer has plenty more choice: the Volkswagen Passat, Seat Toledo, Alfa Romeo 155, Daewoo Espero, Hyundai Lantra, Mazda 626, Mitsubishi Galant, Saab 900, Subaru Legacy and now the new Volvo S40 and V40 models are all possibilities.

For some the sheer joy of Alfa's twin-spark 2.0-litre engine would tip the balance. Volvo confidently expects that buyers are going to beat a path to its door, and certainly the S40 and V40 offer a fine combination of style (unheard of in Volvos of old), comfort, performance and of course safety.

The latest Saab 900's look astonishing value for money while Korean newcomer Daewoo has taken this concept to extremes, offering an all-in price that includes servicing for three years, delivery charges and other extras that traditionally have been added to the list price.

Today's consumers are becoming more concerned with value and with the deal than with the model. And if the motor manufacturers don't like the fact they're selling "commodities", then they only have themselves to blame.

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At Wembley the most ardent show of devotion seemed to be to strip to your waist and reveal your spread of patriotic tattoos

After 10 days of early-dawns caution, sedate pecks on the cheek and swift slap-downs of hands wandering towards buttons, finally the point of consummation has been reached: television has fallen in love with Euro 96.

The moment came not with John Barnes's audacious campaign to seize the Mickey Skinner Memorial Trophy for over-excited studio wear when he donned a pair of trousers apparently fashioned from a banana skin.

Nor did it come with Rud Gullit's crisp dismissal of England and English football at half-time during the Scotland match, analysis so forthright you suspect Paul Furlong ought to be spending the summer looking for a new employer. It didn't even come with John Motson's unexpected confession during

the Italy versus Russia game. "Albertini," revealed a breathless Motie. "He's a player I really fancy."

No, it came with Gazza's glorious bid for inclusion in the goal celebration round in "They Think It's All Over".

"So Rory, what was Gazza doing there?" you can imagine Nick of Hancock enquiring as footage plays of the Fat Boy lying back and thinking of England behind the Wembley goal while Teddy Sheringham pours isotonic drink down his over-open gob.

"Was it a post-modern, ironic riposte to his critics?" poses McGrath. "Was he re-enacting his dentist's chair-and-tequila-moment on the Hong Kong tour to remind them pointedly that his preparation for the tournament had been more than adequate despite what all

that was said and written?" "Not quite," Hancock says. "He was just pissed at the time."

Until that definitive point, it had been, a bit like the games themselves, all flirtation, all empty tricks, all mouth and (particularly in Barnes's case) trousers. In those early matches, the football was lost in the peripheries, taking second place in the coverage to more interesting diversions.

Following the lead set by Sky's coverage of England's cricket tour to South Africa, known in television circles as the bikini trip, the BBC cameramen appeared to be under instruction, during Italian games, for instance, to train their lenses on the decent-looking women in the visitors' crowd.

Indeed, much as there has developed an archetypal fan picked out



JIM WHITE

by the cameras to characterise each Premiership team (for Sheffield Wednesday it's a shaven-headed pie-eater bare-chested in sub-zero temperatures, for Manchester United it's a family burdened with bags from the souvenir shop taking snapshots of the match, for Newcastle it's a librarian in bottle-bottom specs blubbing into his replica shirt) so,

in the early days of Euro 96, the cameramen have been directed to reveal national stereotypes lurking in the crowd. Thus we have been treated to mad-eyed Turks with big drums, sombrero-clad Spaniards, thank-

fully minus their donkeys, and jolly Dutchmen dressed, for no apparent reason, as Indian chiefs.

During the opening exchanges on Saturday, the lenses had a field day in the Scots and picking out crimson-faced men in tartan berets and orange wigs, sweaty specimens swathed in plaid blankets and kilts, an entire nation, on the hottest day of the year, expiring under the burden of Vivian Westwood's new winter collection. By contrast what did the English have to show? There is no history of dressing up in our football culture. We don't turn up to support the national team in Beefeater tunics, bushys or

top hat and tails. At Wembley, the most ardent show of devotion seemed to be to strip to the waist and thus reveal your spread of patriotic tattoos. Just as well then, that our favourite lad gave them something to focus on instead.

And now it has taken off, just before half-time in the tournament, you feel the BBC are heading for the dressing-room with a comfortable lead. Their long-term preparation (transferring Bob Wilson was a master-stroke) has paid off, their theme tune has been a yard quicker into the brain box and their panel is running rings round a flat and static ITV back line. Yesterday for the Germany versus Russia game, we saw ITV getting desperate and playing an entirely new system: Ray Wilkins tucking into the space behind Glenn Hoddle. On paper, a

strong line-up. But Hoddle proved himself capable of putting more people to sleep than the late-night shipping forecast on Radio 4. And Wilkins (lovely man, lovely suits) really needs to do more than cagey little square responses. "I couldn't agree more with what Glenn's just said," simply does not create audiences at this level.

Compare that with the BBC's Hansen (all world-weary and cynical), Gullit (great hair, great mind) and Hill (giving viewers across the land a bit of much-needed exercise as they rise from their day-beds to punch the screen) and the portents are ominous. Just as Klinsmann is getting into gear for the Germans, you can't help feeling that in the commentary box as on the pitch, there is only going to be one winner of this tournament.

For Adams the past is orange

Glenn Moore finds the England captain relaxed about the prospect of facing a new Dutch threat today

Never mind Graham Taylor, Tony Adams could be forgiven for thinking he did not like orange either. Tonight's match will be his fifth against the Dutch and he continues to search for his first win. Moreover, he is still seeking to bury the memory of 1988 when Marco van Basten dismantled his pretensions to greatness.

Until that Düsseldorf afternoon Adams had been heralded as a successor to Bobby Moore. An impressive first full season with Arsenal had been followed by a commanding England debut at 20. Years of honour and respect beckoned as he headed for Germany and the European Championships.

Then came Van Basten's hat-trick, the most memorable of which involved a turn which left Adams looking as mobile as an oil tanker. In the next few years he lost his England place, was ridiculed as a "donkey", then found himself in jail after being found guilty of drinking and driving.

It would be stretching a point to blame all that on Van Basten but it did not help. Even now, after another eight years, 28 caps and six trophies with Arsenal that memory lingers.

Yesterday, at Bisham Abbey, he ventured the connection even before being asked. Later on a Dutch journalist, stepping in where even the English media had feared to tread, asked: "Is it a nightmare for you?"

"Yes, I have nightmares all the time," said Adams, with a big enough grin to suggest that, while the match occasionally crossed his mind the years have considerably dimmed the pain. He added, in similar vein, "I am never going to get revenge on Mr van Basten as he has 'bottled it' and retired. I can't put that record straight - but I've got to get on with the next one, it's a new era, a new competition."

The "next one" is Dennis Bergkamp, Adams' Highbury team-mate. "They are both terrific players," Adams said. "Van Basten was one of the best in the world at that time, a fabulous player. Bergkamp is very similar in the way he plays and he is also world-class."

"He is a great player, he has done fabulously well for Arsenal. He's scored about 15 goals and made about 20 of Ian Wright's. He is big factor in our getting into Europe."

Bergkamp has scored twice against Adams for the Netherlands, in the 2-2 draw at Wembley and the 2-0 defeat at Rotterdam - both qualifiers for the last World Cup. "He has a good record," Adams said, "but you can't just worry about him, they have other players too. But, like every side, they have their strengths and they also have weaknesses. We will try to exploit their weaknesses and get to grips with their strengths."

Bergkamp tipped Scotland to beat England on Saturday and



Tony Adams takes it easy at the England training camp yesterday

Photograph: Peter Jay

is, Adams suggested, already "playing mind games with me". In response Adams said, somewhat tongue in cheek, "He's always beating me in training, every time. He's such a nice man, such a tremendous gentleman, with such a lovely family - it is going to be very hard for me to kick him."

That Adams is now relaxed enough to entertain the media with such throwaway lines (which could look terrible out of context) is a measure of his growing maturity. If any player has reason to distrust the media it is Adams, given his jail sentence, his "donkey" image - one paper even drew ears on him - and some unfortunate coverage of his private life.

He is clearly no fan of the press, but is aware of (and thrives on) the responsibilities of being England and Arsenal captain. He has also realised that he can be a positive role model for people who have made mistakes in life, he is proof that you can recover from them and regain people's respect. He still likes a drink but is more careful about where and when - and he certainly does not get in the car afterwards.

His maturity showed at Wembley in his calm response to the penalty. When asked if his restraint was due to team orders he replied: "No, that's just me. They [referees] don't change their minds so it's foolish to run up to them." Many a

refereeing victim of Arsenal's late Eighties policy of mass dissent will listen and wonder. "I did think it was a penalty at the time," Adams added. "I thought 'what have I done?' I was thinking 'stay on your feet, stay on your feet, stay on your feet' but I was so confident I was going to get the ball I went for the challenge. I've seen it on TV since and at times I think I made contact with ball. I know I did wrong because I should have stayed on my feet."

The penalty came just as Adams was beginning to feel the after-effects of his January knee operation. "There is some scar tissue behind the knee but it has settled down now. I feel it towards the end of games but it

is not 'mechanical' - it does not affect movement. I was bound to have niggles, it is only four months since the operation."

Judging by his and Terry Venables' reluctance to answer further queries Adams is probably having treatment before each match to enable him to get through them. He has not looked entirely fit, although he was more comfortable against John Spencer and Gordon Durie on Saturday than Switzerland's Marco Grassi and Kubilay Turkulmaz the previous week. Bergkamp and, if he plays, Patrick Kluivert, will present the stiffest test so far. Adams will be hoping that, by subduing them, he can also still the ghosts of the past.

Old memories spur France

Today's Group B matches are crucial for all concerned. Guy Hodgson reports

Every nation has its matches it prefers to forget - England as much as anyone - but in recent times nothing opens the mental scars in a Frenchman more than a World Cup qualifier with Bulgaria two and half years ago.

France only had to draw in Paris to ensure their participation in the 1994 finals and at 1-1 with a corner in their favour and the match approaching injury time, a place in the United States seemed assured. David Ginola squandered possession. Bulgaria raced to the other end and Emil Kostadinov scored.

Bulgaria went on to finish third in the United States, while a French team that included Eric Cantona and Jean-Pierre Papin fumed with frustration at home. "I'm still scarred by that memory," Laurent Blanc, the French central defender, said.

It is with the double-edged anticipation of revenge and fear that France seek to extend their 25-match unbeaten run at St James' Park tonight. If one-side wins while the Spanish beat Romania at Elland Road, then the loser will be going home.

Group B has been tight as a drum so far, but if any side have suggested they have more to offer it is France, whose elegant play, particularly from Zinedine Zidane and Youri Djorkaeff, has been undermined by an over-eagerness to concentrate on defence once in the lead.

Bulgaria are less subtle, but boast the temperamental talent of Hristo Stoichkov, whose two goals in the tournament record to 33 in 63 games. However, he may find opportunities more scarce without Kostadinov, who has only a 50-50 chance of recovering from a hamstring strain.

Still, the Parma striker was on target yesterday at a press conference, when he walked out on Spanish journalists because of their "completely silly questions" and then insisted a Romanian was ejected. "It was not my pleasure to speak to him," he explained. "I will only speak to people who tell the truth."

A draw will probably be enough for the French, whose qualification record in the last two European Championships and 1994 World Cup is slightly better than Bulgaria's should that come into play, but Aimé Jacquet will not be tempted down that route. "Look what happened last time," he warned.

No team have failed to live up to their billing more than Spain, who arrived in England with a burgeoning reputation and have proved to be a team with limited ideas once they get near the opposition penalty area.

Indeed, it is difficult to reconcile their possible qualification against Romania's certain dismissal after the first two matches, in which Spain have twice had to score late goals to secure draws while the Romanians have had no luck at all.

Against France, one goal-keeping error lost them the match, while they would have got a draw against the Bulgarians if the linesman had spotted Dorinel Munteanu's shot off the bar had bounced a foot over the line. It has left an urgent need to prove they are a better team than their record suggests.

"We don't want to go home without a point," Gheorghe Hagi, the Romanian playmaker, said. "We want to go home to our fans with our heads held high and the only way we can do that is by getting a result against the Spanish."

Making beautiful gains out of the beautiful game

Minutes after the final whistle at Wembley on Saturday, heads in the crowd turned towards the Royal Box. A roar went up, a regal wave was returned. Was it the Queen, we wondered, or perhaps footy-loving Harry and Wills? No. Milking the applause, as if they were the architects of England's glory, were David Baddiel and Frank Skinner.

Apart from tormenting Jason Lee into shaving off his "pineapple" hairstyle, Frank Clark's favourite comedians were responsible for England's

Euro 96 song, "Three Lions". Their partners in crime were the Lightning Seeds, whose "Life of Riley" is the soundtrack to *Match of the Day's* Goal of the Month competition, and the England squad.

The natural alliance between pop and football has been exploited ruthlessly by the record companies in their bid to extract some beautiful gains from Euro 96. There is even an "official" album of the tournament, *The Beautiful Game*. Most of its tracks, by bands ranging from

Northern Uproar through Blur and Supergrass to the Beautiful South, have only a tenuous connection with the game. Black Grape and Massive Attack have made the effort, however, and the compilation also features the England single.

Suggestions that Scotland's song ought to have been titled "Three Games" are, sadly, looking less like a joke. "Purple Heather" (formerly "Wild Mountain Thyme") is a transatlantic collaboration between Rod Stewart and the squad, a

Phil Shaw looks at one lucrative area of the tournament - the pop record

scarf-waving spine-tingler in the "Sailing" mode, made possible by the technology which paired Frank Sinatra and Bono.

Superior to the Baddiel-Skinner number, on which waiting for the chorus is like waiting for Scotland to score, its proceeds go to the Dumbane Fund. The alternative Scottish anthem is "The Big Man and the Scream Team Meet the Barmy

Army Uptown" by another from the Vialli-Furlong school of improbable partnerships, Primal Scream and *Trainspotting* author Irvine Welsh. An infectious terrace-style chant-rant, its sleeve depicts the tartan ransacking of Wembley in 1977 and sports a sticker warning (boasting?) that the contents are offensive.

The *Bend It!* series has proved there is a market for the

collectable, if largely unlistenable, football songs by supporters, squads and sundry opportunists. England's *Glory*, which collates 30 years' worth from "World Cup Willie" to the "singing" of Kevin Keegan, Glenn Hoddle, Gazza and Lindisfarne and Billy Bluebird (sic), is in the same, sublimely kitsch tradition.

Helping the tartan army hug the carry-outs come Serious Drinking, whose power-chord charge through England's 1970 chart-topper "Back Home" up-

dates a discography that includes the classic footie 45, "Love On the Terraces". It is a raucous antidote to Simply Red's so-called official theme, "We're In This Together", a song in the same sickly, ersatz gospel vein as "We Are the World" et al.

Other strange bedfellows on the CD racks include Dean Martin - whose 42-year-old No 2 hit "That's Amore" is mysteriously being played everywhere as stadiums empty - and Ludwig van Beethoven, whose 173-year-

old charbuster "Ode to Joy" is the BBC's attempt to recreate the success of "Nessun Dorma" in *Italia 90*. Curiously, coverage on German television is being introduced by Oasis' "Don't Look Back in Anger".

Talking of Britpop, the US spinning the discs before the Denmark-Portugal game at Sheffield hit on an early contender for the song of the next European Championship finals. Pulp's "Disco 2000" entreats us: "Let's all meet up in the year 2000..."

England the Underdogs?

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